



THE INDEPENDENT

No 8,867

TUESDAY 5 AUGUST 1997

WEATHER: Warm

(R 45p) 40p

IN THE TABLOID

THE MOM AND POP OF ECSTASY



INSIDE THE TABLOID

NETWORK 4

IT LOVES PO - TRUTH



IN THE TABLOID

REGISTER TODAY PAGE 20

Independent Fantasy Football

WIN A TRIP TO THE 1998 WORLD CUP FINAL

6,000 heart attacks a year from car fumes

Nicholas Schoon

Environment Correspondent

Air pollution caused mainly by road traffic is triggering 6,000 heart attacks in Britain each year, according to medical researchers. Since roughly half of all heart attacks are fatal, the new findings support the views of a growing number of doctors and scientists that pollution kills several thousand Britons each year.

A team led by Dr Jan Poloniecki at St George's Hospital Medical School in London concluded that one in 50 heart attack victims arriving at London hospitals is there as a result of poor air quality outdoors. Their research is published in the latest issue of *Occupational and Environmental Medicine*.

He analysed seven years of data from the late 1980s and early 1990s covering nearly 400,000 hospital admissions and levels of five key air pollutants, all produced mainly by traffic in the capital's busy roads and motorways.

The researchers were looking for a link between air quality on any one day and the number of people being rushed to hospital with heart and circulatory problems the next day. They used complex techniques of statistical analysis to probe for any connections.

They found that heart attacks, in which some of the heart's muscles are killed by a lack of blood supply, rose in line with the previous day's levels of carbon monoxide, nitrogen dioxide, sulphur dioxide and particulates, microscopic sooty specks. But these linkages between

air pollution and health were found only in the colder months, from October to March, and not during the warmer April to September period. The worst pollution episodes are generally during particularly cold, still periods in winter when freezing air becomes trapped over cities and the concentration of fumes builds up over several days.

But the researchers could find no linkage between heart attacks and rising levels of low level ozone, another important pollutant known to cause discomfort to people with chest illnesses and asthma. Ozone is produced by a chain of chemical reactions which begins with traffic fumes. For high concentrations to build up there has to be little wind and long hours of strong sunshine, so ozone smogs are found only in summer.

The researchers' article says there are now "plausible mechanisms" by which traffic emissions might trigger blood circulation illnesses. "Our results strengthen the case for a causal link with myocardial infarction [heart attacks]."

Over the past few years, a stream of big statistical studies from Europe, North America and more recently the UK have suggested a link between air pollution, deaths and hospital admissions. It seems that the elderly and those already suffering heart and lung disorders, are most at risk.

The 1990s have seen Britain and the other European Union nations implementing measures to cut pollution from new cars, lorries and buses, under EU smog-busting laws.

The most significant of these

have been compulsory catalytic converters fitted to the exhaust pipes of all new cars. The annual MoT test also checks for levels of carbon monoxide in exhaust fumes. Stricter standards for new cars came into force this year, and in 2000 new vehicles will have to meet a still tougher third stage of standards.

But while these laws should bring about big improvements in air quality, and thereby save thousands of lives, there are powerful countervailing forces.

The number of cars and car usage is rising steadily, and those trends have accelerated with the strong economic recovery. For years to come, millions of older vehicles will not have catalytic converters fitted, produce copious quantities of pollutants and face no annual emissions checks. There are also worries that as cars with "cats" age, the performance of their pollution-cutting equipment falls off sharply.

The Government has forecast that air quality should now have begun improving after deteriorating through the 1980s, partly because of moves to curb traffic fumes and the drastic decline in coal burning by power stations. But it will not be possible for several years to say if things are getting better.

One reason is that a nationwide network of monitoring stations has only been in place for a few years; this makes it difficult to establish a baseline and see trends emerging. Another is that pollution levels depend on the weather and therefore fluctuate markedly from year to year, irrespective of the exact quantities being emitted.



Tory wet: Party leader William Hague about to take the plunge on a water slide during a visit yesterday to Flambards theme park, near Helston, Cornwall. Photograph: Paul Slater/ApeX

Camelot director to leave after final bonus

David Lister

David Rigg, the public face of Camelot, operators of the National Lottery, is leaving the company. Mr Rigg, Camelot's director of communications, was criticised as one of the lottery "fat cats" earlier this year after it was revealed his salary package had almost doubled to £333,333.

His total salary package rose by 90 per cent last year - the biggest leap of all the Camelot directors. He is due to pick up around £80,000 in performance-related bonuses on 1 October - two days before he leaves Camelot.

Mr Rigg was a founder board member of Camelot in 1993, and spent many of those early days wooing both journalists and others involved in the lottery good causes, telling them of Camelot's efficiency and ability to deliver.

His public relations skills could not, however, overcome the public distaste when it was revealed that in total, the amount paid out to directors this year rose from £1.67m to £2.23m, while profits slipped from £51.1m to £46.8m.

News of the pay-outs sparked a public outcry, with claims that more cash should be going to the good causes.

Mr Rigg was away on a half-term holiday with his wife and children when the results were leaked.

After a showdown with Culture Secretary Chris Smith, the directors agreed to pay undisclosed sums from future bonus payments into a confidential charity fund.

Announcing Mr Rigg's departure yesterday, Camelot chief executive Tim Holley said:

"David has been one of the architects of the success of the National Lottery and has been an outstanding communications director."

"We are sorry to lose him but wish him well in his future endeavours."

In a statement issued by the company, Mr Rigg said that he felt the time had come to move on.

David Rigg said: "The lottery has played a major part in my life for the last seven years



Rigg: Due to collect £80,000 bonus days before he leaves

and has absorbed most of my time for the last four-and-a-half years.

"Working as part of the Camelot team has been both a pleasure and a privilege. I have also, in the vast majority of instances, greatly enjoyed my literally thousands of dealings with the media over this time."

"However, I believe it is right for me to move on at this stage and seek new challenges for the future."

Black actors confuse police trainees

Jason Bennett

Crime Correspondent

Hundreds of police officers are to be given a second chance to take promotion examinations after failing because they were unable to deal with black actors pretending to be traffic wardens.

The 13 ethnic minority actors who took part in the national examinations were told last week their role was being axed. But the Home Office announced last night that it was reversing the decision and that the exams using black people would continue.

An organisation representing black officers yesterday said the affair was very worrying and raised wider issues about police attitudes to race.

The controversy follows last year's sergeants' exams which used black actors for the first time - about half the 3,200 tests involved black actors in one exercise. The Police Promotions Examinations Board decided to drop the practice after a psychologist told them officers had performed better when dealing with white actors and that this may be because race was confusing them.

The Home Office and police associations yesterday criticised the move by the official training body, even though their representatives were on the board that made the original decision to stop using black actors.

The board had written in the past few weeks to the 13 actors involved to say they would not be used in the practical part of the examinations so that the exercises could be "standardised".

It followed a survey of the previous year's results by an occupational psychologist who found there were "significant differences in performance" by

those candidates who had to deal with black actors and those who had white actors. The board decided that many officers believed the examination was to test equal opportunities skills, rather than their knowledge of road laws.

As a result, the board decided to scrap the results of that section of the exam and give all officers who failed another chance. This will affect about 800 of the officers who failed.

Leroy Logan, of the Black Police Association, said yesterday: "While we agree that there is some merit in the find-

ings of the psychologist we would argue that the real issue here is the apparent inability of some candidates to relate to black people without seeing colour as the issue."

"If this is happening in the controlled situation of an exam, then how might their perceptions be translated in real operational situations?"

A spokeswoman for the Home Office said: "It was a misguided attempt to standardise the examinations. It is clearly unacceptable. Steps are being taken to reverse the decision and reinstate the ethnic minority

role players." Spokesmen for the Association of Chief Police Officers and the Police Federation welcomed the decision to overturn the move. However, there remains confusion about who authorised the original policy when the Home Office, Federation and Acpo all have members on the board.

The head of the Police Promotions Examinations Unit in Harrogate, Superintendent Glenn Hutton, acknowledged that there had been a "hiccup" in its procedures, but he said it was a misunderstanding about how the exam system worked.

Yes! Yes! Er - what was your name again?

Glenda Cooper

Social Affairs Correspondent

It's the morning after and you have not got a clue where you are or who they are or what you have done. But now forgetful lovers have the perfect excuse - all they have to do is tell their partners: "Sorry, I must have been suffering from recurrent coital amnesia."

It may sound like a state of mind induced by one too many bottles of chardonnay. But, according to the *Journal of Neurology, Neurosurgery and Psychiatry*, this medical condition, characterised by sudden and dramatic memory loss after sexual intercourse, is not an uncommon clinical occurrence.

Doctors in a letter to the journal recount the case of a man in his sixties who frequently suffered bouts of amnesia after sex. "During these events he would repeatedly ask questions such as 'What are we doing?' 'What time of year is it?' 'What time of day is this?'" reported Dr Russell Lane of the West London Neurosciences Centre.

The memory loss lasted for 30 to 60 minutes on each occasion, after which he recovered perfectly except for the fact that he had no memory of intercourse and only the haziest recollection of foreplay.

Although he seemed aware of experiencing difficulties during the amnesia attack, the doctors found his activities during the intercourse and after were

"unremarkable". Investigations showed nothing except an irregular brain signal which doctors attributed to migraine.

Recurrent coital amnesia is thought to be one type of a more common condition known as transient global amnesia (TGA), which happens during periods of physical and emotional stress. It is characterised by the sudden development of amnesia usually accompanied by repetitive questioning but without any other alteration in

consciousness or any obvious neurological disturbance such as an epileptic fit.

"The fact that a person can repeatedly experience selective amnesia for sexual intercourse, but otherwise function normally during the amnesic period, raises interesting social and medicolegal considerations," Dr Lane said. Or, as agony aunt Clare Rayner puts it rather more forcefully: "What a glorious new excuse - 'Sorry, I forgot all about it, darling.'"



770951 946429

QUICKLY
Silver for Britain
Denise Lewis won Britain's first medal in the athletics World Championships in Athens last night, when she finished second in the heptathlon.
Page 24

THE BROADSHEET
Business & City14-18
Comment11-13
Foreign News8,9
Gazette10
Home News2-7
Law Report10

Leading articles11
Letters11
Shares16
Sport19-24
THE TABLOID
Arts6,7

Arts reviews11
Crossword14
Health8,9
Listings12,13
Radio & TV15,16
Visual Arts4,5
Weather14

Read The Independent on the World Wide Web
<http://www.independent.co.uk>

BIG LOAN
SMALL LOAN
QUICK LOAN
ABBEYLOAN

THE 15 MINUTE ABBEYLOAN
Ranging from £500 to £15,000, an Abbeyloan is flexible to suit your needs. You could have a decision over the phone in 15 minutes or less, so call 0345 57 58 59, quoting reference 7249 and take the wait off your mind.

ABBEY NATIONAL
www.abbeynational.co.uk

Loans are open Monday to Friday 9am to 5pm and Saturday 9am to 4pm. To assist us in improving our service, we may record or monitor telephone calls. Loans and pricing are subject to status and not available to persons under the age of 18. Written quotations available on request. Please do not enter into a loan agreement unless you can afford the repayments. Abbey National reserves the right to refuse an application for a loan for certain purposes. Abbey National and the Abbey National logo are trademarks of Abbey National plc, Abbey House, Baker Street, London NW1 6XL, United Kingdom.

news

significant shorts

Hero pilot fights shy of bosses' praise

The airline pilot who safely crash-landed his crippled aircraft with 66 passengers on board was too shy to meet the praise heaped upon him yesterday. Captain John Jones, 40, had just left Manchester airport on his British Regional Airlines flight bound for Ireland when an undercarriage failed, but he told his bosses it was just part of his job.

The aircraft, with a total of 70 people on board, turned back when it was discovered the undercarriage on the left wing would not work. It circled for three hours over the Irish Sea to use up excess fuel before the captain, one of the airline's most experienced pilots, brought it safely down on the tarmac at Manchester in what his bosses described as "a text book example of how to handle the aircraft in the circumstances".

Mike Bathgate, the airline's commercial director, said: "The captain is a very private individual. He believes it was very much an overall combined effort between him and the other crew." Captain Jones, who has been with the airline for 10 years, was speaking to investigators from the Department of Transport's Air Accident Investigation Branch to try to discover the cause of the failure.

Randeep Ramesh

Double murderer to be released

A convicted double murderer is to be released from prison after 22 years protesting his innocence. It was disclosed last night. Reginald Dudley, 72, who was convicted with Robert Maynard in 1977 for the killings of London underworld figures William Moseley and Michael Cornwall, is to be let out of Ford Prison, Sussex, on licence on tomorrow, his solicitor, Andrea Storey, said.

Dudley and Maynard, who remains in jail, have been the subjects of Britain's longest-running miscarriage of justice campaign. Their cases are currently being looked at by the Criminal Cases Review Commission which is considering whether they should be sent back to the Court of Appeal. Moseley's handless and headless body was discovered in 1975. The following year, Cornwall was shot dead. The only evidence against them came from an armed robber who claimed they had admitted the murders while in jail. However, he later admitted lying in order to get a shorter sentence.

'Men in Black' sets box office record



The sci-fi action comedy *Men in Black* has broken British box office records in its opening weekend, makers Columbia Tristar claimed yesterday. The film starring Will Smith (left) and Tommy Lee Jones as men "protecting the Earth from the scum of the universe", took £7,066,748 at the turnstiles up to Sunday night.

That figure beat the previous record holder, *Independence Day*, in which Smith also starred, last summer which made £7,005,905 over the same period. However, Columbia Tristar's figures included Thursday previews - and *Men in Black* opened early at more than 300 screens around the country.

Barclays faces action over pay

Barclays is facing a campaign of industrial action in a "rapidly escalating" dispute over pay. The bank's two unions have agreed to co-ordinate action, which is likely to include an overtime ban and a work-to-rule, after the "collapse" of talks. Barclays turned down a union request to take a dispute over a new performance-related scheme to the conciliation service Acas, arguing that it had already made substantial modifications to its original proposals.

Jim Lowe, assistant secretary of the Banking Insurance and Finance Union (Bifu), complained: "From a bank that is expected to announce half-yearly profits of more than £1bn later this week, Bifu and the Barclays union UNIFI said that the new pay scheme would reduce the amount of money the bank puts into staff salaries. The two unions have decided to co-ordinate action, although no date has been fixed for it to start."

Man hunted over landlord's death

A former psychiatric patient is being hunted by police after his elderly landlord was found stabbed to death in a burning house. Police took the unusual step of naming unemployed David Edward Roberts, 24, as the man they wish to question about the killing of Joe Osmond, 70. They warned the public to stay clear of Mr Roberts, who was offered a room to rent by Mr Osmond after they met at their local rugby club. The murder inquiry was launched after the emergency services were alerted to a fire at Mr Osmond's two-bedroomed cottage in Salisbury, Wiltshire, where they found his body inside. He had suffered multiple stab wounds.

East 17 star on assault charge



Pop star Brian Harvey appeared in court yesterday at a hearing to decide whether he will stand trial for an alleged assault on a photographer. Harvey, 22, singer with East 17, was mobbed by teenage fans as he arrived for an old-style committal hearing at Bow Street magistrates' court in central London. Harvey (left), from Loughton, Essex, and Stephen Exley, from Walthamstow, east London, are jointly charged with assaulting an Argentinian photographer, Reinaldo Vargas, 43. The offences are alleged to have taken place outside Stringfellows night club in London's West End. The hearing was adjourned until 7 October.

Study urges lower drinking age

A report commissioned by police into young people's experiences of drink and drugs yesterday advocated lowering the legal age for buying alcohol in pubs from 18 to 16. The controversial study carried out by the University of Wales, Bangor, for North Wales police shows that about 70 per cent of 16-year-olds are drinking already. It suggests one way of taking them off the streets and allowing them to drink in a more controlled environment would be to let them into pubs with identity cards.

Landlords would also have to adopt a tougher attitude on the amounts of alcohol being sold to any individual. But the university researchers also suggest that the age at which teenagers can buy alcohol across the counter at off-licences should be increased.

Bath lines up for lottery funding

An art exhibition featuring a scum line around a bath tub is to get National Lottery funding. Arts Council officials have approved a grant of £4,176 to help the Bristol-based City Projects arts group stage the controversial exhibition. The bath tub will be one of about 10 works put on show in November.

people



Bosom buddies: Television's favourite twentysomethings have secured a bumper pay-day

What's the price of a Friend? About £2.5m, apparently

They may be "there for us when the rain starts to fall" but their jobs are no longer a joke and they are certainly not broke. The cast of *Friends* have just signed a deal for £2.5m per episode.

The contract could make the series, featuring six impossibly hip New Yorkers hanging out in a trendy cafe, the most expensive in television history.

Hollywood trade papers yesterday reported that the hit comedy's US network has finally agreed to pay £2.5m per show - the previous figure was about \$625,000. This should keep the cast, who threatened to walk-out last year after a row over their salaries, happy to be there for each other for at least a few more episodes.

However, since the programme was first aired, casting directors and advertisers have been falling over themselves to sign up the actors, who were all pretty much unknown before *Friends* came along.

Jennifer Aniston, whose role as the spunky Jewish princess, Rachel, is secondary to her legendary hair-cut, is currently starring in a couple of television advertisements, as well as lining up the film roles.

Her co-stars, Courtney Cox, better known as Monica, the control-freak chef, and Lisa Kudrow, who plays the ditzy masseuse Phoebe, have also landed parts

in films. Cox most recently played a bitchy TV reporter in Wes Craven's latest shock-horror movie, *Scream*.

Kudrow, who latest role is playing another loveable airhead in *Romy and Michelle's High School Reunion*, is already afraid of being typecast.

As for the boys, David Schwimmer, the lovable paleontologist Ross, Matthew Perry, arguably the cast member who gets the best lines as Chandler, and Matt LeBlanc, who plays the irresistible but dim-witted Joey, the offers have flooded in.

Schwimmer was the first *Friend* to test the movie waters in *Pallbearer* (a flop) but he is now turning his hand to directing, before returning to the other side of the camera in a film with Sir Ian McKellen, no less.

Unfortunately for LeBlanc, life seems to be imitating art as he has been struggling as much as Joey to land a starring role. But he is hoping that will change when he teams up with Gary Oldman for a movie version of *Lost in Space*.

Finally Perry, who has admitted to drug problems, has just netted a cool £1m for the romantic comedy *Fools Rush In*. It's a far cry from the days when, as Rachel would say, they were all searching for "one of those job things".

Kate Watson-Smyth

John Simpson spoils for battle on home front

Distinguished BBC war correspondent John Simpson has put himself in the line of fire on the home front, with outspoken attacks on the corporation's director-general, John Birt, former colleague Martin Bell and "good news" fan Martyn Lewis.

Simpson, 53 (right), launched his forthright salvo in the BBC's biggest-selling publication, *Radio Times*, published today.

He joked that, apart from Libya's Gaddafi, it was getting difficult to find a good dictator these days. "You have to visit weird parts of the world to find them - like Television Centre and Broadcasting House."

"The heads of giant corporations can be just as loopy - it's power and the feeling they're always right."

Martin Bell, now the independent MP for Tatton, was wrong to crusade for "involved" reporting on his return from Bosnia, Simpson said. "Martin Bell is talking nonsense and he knows it. 'He was one of the most objective journalists.'"

He added: "It's not my job to shriek that side A is right and side B is wrong. I'm sick of the 'I'm going to tell you everything about me and what I think' school of journalism. You don't teach the BBC for polemic."

But Simpson also condemned live two-way links from trouble spots and Martyn Lewis's "good news" campaign. "That's so silly."



There's no good news and bad news, just news," he scoffed. It was "amusing" that the Prince of Wales and John Major supported Lewis, he said. "You can't blame them. Whenever you switched on all you saw was another one of their disasters."

He feared the leaked BBC report *Reflecting The World*, which suggested popular presenters like Ulrika Jonsson were needed to make unpopular foreign issues more palatable, was close to the mark. "It's true. That's the trouble. Viewers want bimboes and bimboes. Who wants to see Martyn Lewis? I don't."

Simpson, who has resigned regularly in the past, does not fear his latest onslaught will have repercussions. "I've been in lots of trouble and that means within the BBC as well as out."

Queen Mother marks 97th year

The Queen Mother celebrated her 97th birthday yesterday by going on an impromptu walkabout among a crowd of more than 1,000 well-wishers, some of whom had camped overnight at Clarence House.

Leaning heavily on a stick, she smiled and waved at the assembled crowd, who sang Happy Birthday, and handed her flowers, cards, chocolates and cuddly toys.

Accompanied by Prince Andrew, she reviewed a march-past by the 1st Battalion, The Royal Regiment of Wales.

Then, with four generations of the Royal Family gathered at Clarence House for a celebratory lunch, the party appeared at the gates with the Queen and her mother at their head.

Prince William, 15, was given pride of place by his great-grandmother when he was at her side to review the King's Troop, Royal Horse Artillery.

And 12-year-old Prince Harry was also present, with his father, the Prince of Wales.

Jeanne Calment, who at 122 years and five months, was probably the world's oldest person, has died in Arles in southern France. She "slipped away" at 11.15am local time yesterday but was not thought to be suffering any illness.

Born in Arles on February 21 1875, Madame Calment was regarded as a kind of living national archive. She lived alone until she was 111 before consenting to move into an old peoples' home.

Obituaries, page 10

British climber's Himalayan ordeal ends

The British mountaineer Alan Hinkes was resting in Islamabad, Pakistan, last night after spending an excruciating seven days with a slipped disc stranded on a Himalayan mountain.

Bizarrely, the specialist who finally diagnosed the injury turned out to have just returned from nine years working in Darlington Memorial Hospital - only 20 miles from where Mr Hinkes grew up. Dr Rifat Zaidi told Mr Hinkes: "I thought I recognised your accent."

He plans to return to Britain next week to rehabilitate the injury which, in another strange touch, was set off when he was eating a chapatti about halfway up the mountain. Some of its flour made him sneeze. The muscular strain caused a prolapsed disc which could take up to three months to heal completely.

The climber was yesterday taken by helicopter from the lower slopes of Nanga Parbat, which at 8,128 metres (26,660ft) is one of the 14 mountains in the world over 8,000m. Mr Hinkes had previously climbed eight of the 14, and had intended to set a record by conquering the other six in a single sea-

son. If he can climb all 14, he will become only the sixth person to achieve the feat, and the first native English speaker.

But so far in 1997 Mr Hinkes has only managed one, Lhotse, and now fears that if it takes too long for his injury to heal that could rule out an attempt this autumn on the two peaks of Annapurna (8,091m) and Dhaulagiri (8,167m).

He used a satellite phone to call Berghaus, his sponsors on the £70,000 expedition, and to call for a helicopter. But for days, the pilot was unable to reach him, leaving Mr Hinkes stranded at his base camp with shrinking supplies of food and painkillers. "I was having three-hour back spasms," he recalled yesterday.

Eventually, on Sunday, he managed to ignore the pain enough to climb down 700m to 3,350m, just above a glacier which would have made further progress more difficult, hoping it would be easier for a helicopter to reach him. "I got my cook to build a bonfire, with branches from nearby shrubs, and to make a big H with stones on the ground, then just before dawn broke today I called the helicopter."

Charles Arthur

briefing

SHOPPING

Rude staff and long queues keep customers dissatisfied

Rude staff and long queues at the checkout are to blame for growing customer dissatisfaction with service in shops, according to a report published today. Overall, the number of people complaining about service in at least one shop they visit has soared from 26 per cent in 1992 to 43 per cent this year.

DIY and electrical goods stores are the worst offenders, followed by shoe and clothes shop, the survey published by the National Consumer Council disclosed.

Places with the most satisfied customers are hairdressers and barbers' shops, where service was rated good or very good by 90 per cent of customers - closely followed by chemists.

Supermarkets come third, leapfrogging local grocers and newsagents for the first time, with 86 per cent of customers reporting good service.

Major bugbears cited by shoppers are queuing at checkouts or not enough tills being opened, and staff who are rude and unhelpful or too pushy. Poorly-trained assistants are also a source of irritation - particularly in DIY and electrical goods stores. The only area of growing customer satisfaction is prices, with fewer shoppers complaining of either high or rising costs now than five years ago.

The survey into shopping trends also disclosed that Britain is not a nation of shopaholics. People visit the shops less now than five years ago - although this does not mean they are spending less.

TECHNOLOGY

The 'thinking' computer decides

A loans company is using a high-tech "intelligent" computer program to help it make instant decisions on applications. It uses neural technology, which tries to mimic the workings of a human brain, to make split-second judgments on individuals.

Neural computers are often called "thinking computers" because of their ability to learn from experience and "best guess" a situation, just as a human can respond to new and changing situations.

The computer, called Decider, is being used by Lloyds Bowmaker Motor Finance, part of the Lloyds TSB group. It is "taught" with historical customer data, it does not have to be programmed with fixed rules or equations and it can automatically extract essential characteristics from previous applicant information.

Decider then makes a decision on whether to accept a loan or not, and gives reasons for its choice. In a trial, when it was pitted against traditional loan scrutiny techniques, Decider was shown, on average, to be 10 per cent more accurate.



ATTITUDES

Young more tolerant towards gays

More than two in five young people in Britain believe that the age of consent for homosexuals should be lowered, according to the findings of a survey on youth attitudes.

The NOP poll of 986 adults aged 16 years and over in England and Wales, however, found that this general increase in tolerance for homosexuality among those aged 16-34 was not reflected among the over-35s. Seventy-two per cent of the general adult population declared themselves to be against any lowering of the age of consent from 18 to 16 years.

Tolerance on the issue of gay sex does not extend to smoking or "alcopops". More than two-thirds of those questioned were in favour of raising the legal age of smoking from the current 16 to 18 years of age. Support for a total ban on alcopops among the under-25s, whilst less overwhelming than among the over-35s, was still around one third of those questioned.

Louise Hancock

LEISURE

Man's (or woman's) best friend?

They are regularly hurt by them, don't always trust them, and often have to lie in order to spend time with them, but 63 per cent of all riders say they prefer the company of their horses to their partners.

Although 87 per cent of riders say their horse can be "temperamental" and almost half have been quite badly injured, 72 per cent of riders admit that they tell their horse their problems, rather than their partner. And the national survey, compiled by *Gallop* magazine, shows that 90 per cent of women riders say they would rather have a new horse than a baby.

Almost two-thirds (65 per cent) say they wish they could take both their partner and horse on holiday, while half admitted to having sneaked off work for a secret rendezvous with their horse.

Perhaps not surprisingly, 53 per cent of partners were said to be jealous of the relationship. With good reason: almost half of all riders say if things came to a head they wouldn't be able to decide between their partner or horse. A quarter would definitely choose their horse.

Jojo Moyes

PROPERTY

Home-owners do it themselves

Home-owners have been spending an average of £320 a year each on DIY - more than one-fifth of the total amount they splash out for work on their homes, a report shows today.

The figure comes in research published by the Joseph Rowntree Foundation, using data from a study carried out by the Building Research Establishment with 5,500 home-owners for the 1991 English House Condition Survey.

It found that most DIY work involved decorating and upgrading properties, with 40 per cent of kitchens and 30 per cent of bathrooms being fitted by owners themselves.

And as many as 40 per cent of owner-occupiers who carried out major improvements or work at home chose to do at least some of the job themselves.

Labour-intensive jobs were more likely to be carried out by DIY than those where the cost of materials was relatively high, the report authors found. But the complexity of any task appeared to be a more important factor in owners' decisions whether to use contractors or to tackle the job themselves.

Agnès Séverin

THE INDEPENDENT ABROAD

Austria	£5.00	Norway	£5.00
Belgium	£5.00	Italy	£4.50
Canada	£5.00	Madagascar	£5.00
Cyprus	£5.00	Malta	£5.00
Denmark	£5.00	Norway	£5.00
Finland	£5.00	Portugal	£5.00
France	£5.00	Spain	£5.00
Germany	£5.00	Sweden	£5.00
Greece	£5.00	Switzerland	£5.00
Luxembourg	£5.00	USA	£5.00

OVERSEAS SUBSCRIPTIONS
 Air mail, 13 weeks: Europe £15.75; Zone 1 (Middle East, Americas, Africa and India) £18.00; Zone 2 (Far East and Australasia) £20.70. To order, please send cheque payable to Johnstone International Media Services Ltd to 43 Mithras, London E14 9PR or telephone 0171-538 8288. Credit cards welcome.
 BACK ISSUES
 Back issues of the Independent are available from: Home Newspapers, telephone 01998 840370.

CJD deaths leave questions over clusters

Charles Arthur
Science Editor

Two more deaths from the "new variant" strain of the fatal brain disorder Creutzfeldt-Jakob Disease (CJD), linked with "mad cow disease", were disclosed yesterday by the Government, bringing the total number of notified cases to 21 at the end of June.

But the figures hide a peculiar clustering of cases: in Ashford, Kent, in Tyne and Wear in the North-east and near Glasgow. So far, three of the people who have died of "v-CJD" have lived near Ashford - which is itself close to the site where the first case of bovine spongiform encephalopathy (BSE) was diagnosed in 1985. Susan Carey, who died five months ago, lived near Ashford in the 1980s before moving to Rochester, also in Kent.

Another two cases have occurred in comparatively small areas in Tyne and Wear, including Jean Wake, who worked as a meat-chopper in a pie factory, and lived in Washington until she died in October 1995; and Mandy Minto, a former European judo champion, who died aged 27 last weekend in Sunderland Royal Hospital.

Two other cases are based near Glasgow, including Janice Stuart, of Milton of Campsie near Glasgow, who died of v-CJD aged 35 last September, and a suspected victim, Donnamarie McGovern, aged 15, who has a serious brain disorder, at Southern General Hospital in Glasgow.

The presence of clusters among such a small number of cases could be a statistical accident. "When the numbers are so small you can convince yourself of anything," said Dr Stephen Dealler, an independent analyst of the BSE epidemic yesterday. "But the fact is, the first cases of BSE were noticed in Ashford."

Last night, members of the CJD Support Association were unwilling to discuss the idea. "If that is all you want to talk about, we may have to find some other way of getting this across to newspapers," said one member.

The Government triggered a major BSE scare when announced in March 1996 that the growing number of cases of v-CJD was probably caused by exposure to the disease agent that causes BSE. However, it has never specified that this had to be through eating BSE-infected food.

People in Ashford would be no more likely to eat BSE-infected food than other people at most stages of the epidemic. However, some scientists have called attention to the presence of a rendering plant which discharges 120,000 litres of effluent daily, and to an event in 1963 in Smarden when two acres of land were contaminated by fluoracetamide, a highly toxic organo-halogen which is chemically related to organo-phosphates (OPs). Some people have suggested that OPs caused BSE - although evidence from the Continent contradicts this. At the same time, there is no clear match for the incidents around Ashford in Tyne and Wear or near Glasgow. The CJD Surveillance Unit, which monitors cases and records victims' personal histories, had no comment last night.

"While the numbers are so small, you can sum it up and say that there's no excess, that it's just statistical anomaly," said Dr Dealler. "But after a while it becomes a different type of analysis." He suspects that there may be a contributory cause for BSE which has not yet been identified - and that the Government will resist any attempt to identify it.

Chains, delays, dishonesty and gazumping. The evils of house-buying come under government scrutiny

Steve Boggan

It wasn't supposed to be like this. With a £30,000 deposit and a guaranteed mortgage, Claudine Sturdy should have been every vendor's dream - a first-time buyer with no chain and an overwhelming desire to move quickly.

"The first place I saw was a dream and a real bargain, a three-bedroom flat for £70,000 in Brixton," she said.

"The people I was buying from were buying something else in Norwood and everything was going smoothly. But then there was a small legal hitch involving the lease and, unfortunately, the vendors had incredibly slow solicitors."

"A job that should have taken four days took them four weeks and in the meantime my vendors lost their place because their vendor wouldn't wait any longer. And someone nipped in and gazumped them by £2,000."

But worse was to come. Ms Sturdy found another place, a two-bedroom flat in Streatham, for £90,000.

She offered £85,000 but was told by her agents that the vendor had placed it with a second agent at £95,000.

"My agents told me that if I raised my price to £90,000 then I could have it," she said. "Then they - not the other agents - went and sold it for £95,000."

"I am absolutely fed up with the whole business."

"Everyone tries to rip you off all the time and no one keeps their word and I feel insulted that anyone could possibly think that you believe anything they say. We need protection for vendors and buyers so one isn't waiting too long for their house to be sold, and so the other's offer is honoured."

Ms Armstrong said she was determined to provide protection for people like Ms Sturdy and promised to act on the results of the study, which should be finished next summer.

"The Government is determined to identify the root causes of delays and other problems which cause distress and misery to home-buyers and sellers," she said.

However, given the diversity of the steering group - with representatives from the Office of Fair Trading, HM Land Registry, the Law Society, the Royal Institute of Chartered Surveyors, the Council of Mortgage Lenders, the National Association of Estate Agents, the Incorporated Society of Auctioneers and Valuers and the Consumers' Association - vested interests are likely to make agreement possible.

One option, to adopt the Scottish system whereby an offer, once accepted, is binding, already seems to be losing its appeal. "It does prevent gazumping once an offer has been accepted," said Hugh Dunsmore-Hardy, chief executive of the National Association of Estate Agents. "But before you can make an offer, you have to have your mortgage offer and survey in place. "If your offer is rejected, then all the money you have spent on your legal fees and survey goes down the drain. Theoretically, that could happen two or three times before you get a property."



Disillusioned: Claudine Sturdy, who has been let down twice in her hunt for a flat - "Everyone tries to rip you off and no one keeps their word" Photograph: Andrew Bauman

Pub chain calls time on alcopops as more companies join ban

Louise Jury

The bubble may be bursting on alcopops. The sweet-tasting drinks which prompted public outrage by supposedly luring the young to alcohol were dealt another blow yesterday.

JD Wetherspoon, the fast-expanding chain of 194 pubs, announced it was banning all the drinks which revel in such names as Hooper's Hooch, Shott's Lemon Jag and Zanzibar Sling.

Since their introduction in Britain two years ago, there has been a host of critical stories. Unwitting parents packed the alcoholic drinks in lunch boxes. Striving University banned them from the campus and even bars at the House of Commons have refused requests to stock them.

The Co-op and Iceland food stores have cleared the controversial beverages from their shelves. And in a mark of the cultural impact, the issue was even raised in a television soap. Tinhead, a teenager in Brookside, was made to look a complete fool when he tried to impress the girls at the youth club with a few alcopops.

JD Wetherspoon embarked on a trial bar at its busiest pub, the Hamilton Hall, at Liverpool Street station in London two months ago. After customers proved happy to take an alternative tipple, it extended the ban yesterday.

The bad publicity the drinks have generated has prompted its decision more than any moral crusade. Chairman Tim Martin said: "We simply do not want to be associated with the controversy."

The chain sells 10-15,000 bottles a week. But Mr Martin said: "We have considered the situation carefully. Alcopops have had a lot of bad publicity and many people are concerned that they may be attractive to people too young to drink legally."

The decision was welcomed and condemned in equal measure. Andrew Chevis, of the Portman Group, the drinks' industry-funded watchdog, said the pub chain was missing the point. "We do not believe that for a company like JD Wetherspoon to ban alcopops will have a significant impact on alcohol misuse by young people."

Out of 200 children admitted to the Alder Hey children's hospital in Liverpool last year with drinking problems, only six followed consumption of alcopops. Mr Chevis said a Portman Group report later this month will highlight other drinks causing more problems, although he refused to name them.

Smart Cain, spokesman for Bass who make Hooper's Hooch, which has 70 per cent of the market, questioned Wetherspoon's motivation in banning a drink which was popular with 20 to 30-year-olds. Around three million bottles and cans are sold each week. "Alcopops sit comfortably alongside beer, cider and shorts. They're not a fad and there's a need to stop demonising them," he said.

Yet Fiona McIntosh, editor of Company magazine for young women in their twenties, said it was not simply under-age drinkers which were cause for concern. Young women were drinking too much and often failed to realise they were.

"Alcopops are quite clubby and fun. It's probably quite difficult to estimate how much you're putting away," she said.

Mark Bennett, of Alcohol Concern, said individual retailers should not be left to make such decisions. There was a need for an independent panel, not the Portman Group, to assess their acceptability. "The test of these drinks is their disproportionate appeal to people under the age of 16."

Alcopops came third behind cider and lager for under-age drinkers. That was considerable success for a new drink. It was also notable because research showed alcopops attracted some young people who admitted they would not otherwise be drinking alcohol at all.

But Mr Bennett said industry sources were muttering already that the appeal of the fizzy drinks was waning. "People approaching their 18th birthday want to be drinking something that is different from what the previous set were drinking. So we see a pattern of new types of alcohol products."

Like bottled beers with lime in the top and ice beers, alcopops will have a successor yet.



Last orders: A crate of alcopops waiting to be taken away from the cellar of the Wolf pub in Bury St Edmunds, in Suffolk, yesterday, after the drinks were banned from the bar Photograph: Brian Harris

Young drinkers flouting the law

A report commissioned by police into young people's experiences of alcohol yesterday advocated lowering the legal age for buying drinks in pubs from 18 to 16.

The study carried out by the University of Wales, Bangor, for North Wales police shows that around 70 per cent of 16-year-olds are drinking already. It suggests one way of taking them off the streets and allowing them to drink in a more controlled environment would be to let them into pubs with ID cards.

Landlords would also have to adopt a tougher attitude on the amounts of alcohol being sold to any individual. But alongside this radical solution, the university researchers suggest that the age at which teenagers can buy alcohol across the counter at off-licences should be increased.

Assistant Chief Constable Elfed Roberts, of North Wales police, welcomed a public debate on the most effective ways of tackling the problem and whether changes in the law were required. "Young people by the age of 16, very largely, are quite familiar with alcohol. Some have got into the habit of drinking regularly."

Landlords and alcohol abuse support groups gave a cool response to the idea of lowering the legal age, claiming problems would be exacerbated. The report surveyed more than 1,200 pupils, aged 11 to 16, in six schools in Gwynedd.

computer decides
high-tech "intelligent" computer
makes decisions on applications. It
uses to mimic the workings of a human
judgements on individuals.
are called "thinking computers".
learn from experience and "best guess".
can respond to new and changing

erant towards gays

nan's) best friend?

do it themselves

INDEPENDENT

every day on AOL

0800 378 5376

NEWSPAPERS RECYCLING

Support paper made up 41.2% of
the material for UK newspapers
the first half of 1996

Ulster urged to grasp second chance

Jojo Moyes

Ms Mowlam, the Secretary of State for Northern Ireland, yesterday urged political parties in Ulster not to miss the new opportunity for peace, describing it as "a second chance".

Ms Mowlam, who will meet Sinn Féin president, Gerry Adams, tomorrow, said that people caught a glimpse of what the future could hold during the first IRA ceasefire which

collapsed with the bombing of the Isle of Dogs in east London in February 1996.

The meeting will be the first between a government minister and Sinn Féin since just before the ending of the 17-month truce. It forms part of preparations for the scheduled entry by republicans to the Stormont talks process next month.

Ms Mowlam told business leaders in Belfast that if she decided by the end of the month

that the ceasefire was genuine, Sinn Féin would have a place at the negotiating table on 15 September. By that time an international commission for arms decommissioning would also be in place. Both British and Irish governments, she insisted, were committed to the total disarmament of all paramilitary organisations.

Ms Mowlam said that the governments had an opportunity to improve the basis on

which everybody could work together, one that embraced balanced constitutional change more broadly based than the 1985 Anglo-Irish Agreement.

Politicians, she said, needed to pick up and run with change. "After all, what is there to fear?" she said. "Consent is there as a central and inviolable principle. There isn't going to be any change in Northern Ireland's constitutional status unless a majority here want it. But

if they do want change, we'll support it.

"No one is going to be pushed or bullied or beguiled. Open and honest discussion with all views on the table, is the only sensible and realistic way forward. It threatens no one."

Meanwhile, talks were under way yesterday to try to work out a deal to ensure that this weekend's annual parade by 10,000 Apprentice Boys in Londonderry passes off without trouble.

Representatives of the order, local business leaders and the nationalist Bogside Residents Association attended discussions chaired by the Mayor of Derry, Martin Bradley.

Alistair Simpson, governor of the Apprentice Boys, said after a lengthy meeting that it had been "very constructive". He said that the three sides seemed quite happy with the proposals put forward by the order for Saturday and he was hopeful of

a peaceful parade next weekend.

About 100 members of the local Apprentice Boys are due to parade around the ancient city walls, including a contentious quarter-mile stretch above the Bogside, before joining the main Londonderry parade on Saturday.

The Bogside Residents group said it would not protest against the march around the walls if a deal could be struck over "feed-

er" parades by Apprentice Boys in the nationalist villages of Dunloy, Co Antrim and Bellaghy, Co Londonderry as well as along Belfast's nationalist Lower Ormeau Road.

Last year the walls were closed to the marchers on public safety grounds on the orders of the former secretary of state, Sir Patrick Mayhew. The Apprentice Boys finally carried out their march two months late in October.



Ahead of the rest: Liz Taylor at a ball hosted in Venice by Aristotle Onassis

Canadian who clicked with the great and glamorous

Michael Streeter

They are a revealing glimpse of the famous and glamorous of a bygone era. An exhibition of work by the Canadian photographer Roloff Beny provides an insight into the lives of some of the personalities who dominated the cultural stage from the 1950s onwards, including Laurence Olivier, Margot Fonteyn, Rudolf Nureyev and Coco Chanel. Best known for his interpretations of classical architecture and sculpture, a feature of Beny's rarer portraits were the anecdotes he attached to many of them.

On his portrait of Rex Harrison he describes how he went to the actor's Hollywood home, expecting the shoot to last 10 minutes. Hours later, after a tour of the villa and several songs from Harrison's wife Rachel Roberts, the photographer ran out of time. "I realised I had a plane to catch and I snapped Rex in his moon-glammed slippers."

On a photo of Tennessee Williams, taken in 1958, Beny acknowledged the brilliant dialogue the dramatist wrote, then added: "But in conversation he wandered so, that I can't remember anything he said."

Beny, who died in 1984, referred to the photographs as his "People" archive. The exhibition, at Christie's, in King Street, London, runs from 11 to 22 August.



Private lives: Rex Harrison, epitome of English suaveness, at ease in his Hollywood mansion

Suicide MP had made death threat at Commons

Colin Brown and Stephen Goodwin

Friends of the dead Labour MP Gordon McMaster stopped him jumping into the Thames from the terrace of the House of Commons, it emerged last night.

Roger Stott, a close friend of Mr McMaster, who last week gassed himself in his car at home, said the friends at the Commons had persuaded Mr McMaster not to go ahead with his threat to kill himself.

Mr Stott said he could not help blaming himself for failing to do more to prevent the tragedy. "I didn't do enough. I think collectively as MPs we should do something to help MPs like Gordon who are clearly under pressure," he said.

"We need a parliamentary system to help MPs in stress. It crosses all parties and it happened to Iain Mills [a Tory MP who died after heavy drinking]."

Mr McMaster, the MP for Paisley South, left a suicide

note in which he was reported to have condemned two colleagues, Lord Dixon, a former deputy chief whip, and Tommy Graham, MP for the neighbouring seat of Renfrewshire West. Both deny any involvement in a whispering campaign and unsubstantiated smears about him being homosexual and suffering from AIDS.

Mr McMaster asked for a copy to be sent to the Prime Minister and for the letter to be published. Close friends of the MP said it was unlikely that the Government would publish the letter which was clearly written when his mind was disturbed.

The chief whip, Nick Brown, is carrying out an inquiry at the request of the Prime Minister into the allegations contained in the note, but Downing Street sources said it could take some weeks.

The whispering campaign against Mr McMaster, and the hatred within the Paisley Labour Party that lay behind it,

could come under the spotlight if the Crown Office in Edinburgh decides to hold a fatal accident inquiry into the MP's death. Contents of the suicide note might also be made public if such an inquiry were held.

However, FAs - similar to an inquest in England - are by no means automatic in Scotland and last night official sources were doubtful if one would be ordered.

An investigation by Strathclyde police concluded there were no suspicious circumstances behind the MP's suicide. The police sent a report to the Procurator Fiscal for Paisley, but it would be for his superiors at the Crown Office to decide whether further action should be taken. The police have received no request to pursue the claims of a poison-pen campaign against Mr McMaster.

Fatal accident inquiries are normally ordered when the Crown Office consider issues of

public interest are involved, such as the Dunblane shooting or accidents on North Sea oil rigs.

Meanwhile, Jack Cunningham, the Agriculture Minister, came under pressure to speed up a decision on the future use of pesticides which may have played a part in Mr McMaster's decision to commit suicide.

A former professional gardener, Mr McMaster believed he was suffering from the chronic fatigue syndrome ME and that it might have been caused by organophosphates which he used as a pesticide.

Mr McMaster was a supporter of the All Party Group on Organophosphate Pesticides. Its leader, Paul Tyler, wrote to Dr Cunningham calling for an urgent meeting on banning the chemicals. He said: "I hope you will now agree that our meeting is all the more urgent, if only to ensure that our former colleague's commitment to help the victims of OP poisoning is carried on."

Redwood presses on with the Tory attack on Simon

Colin Brown
Chief Political Correspondent

John Redwood today will ignore the threats of libel action by the Government and challenge ministers to come clean about the benefits that the trade minister, Lord Simon, will make on his £2m BP shares in a Jersey trust.

He will challenge the President of the Board of Trade, Margaret Beckett, over her assurances that Lord Simon would not benefit from having his shares in the trust. Mr Redwood said the trade minister would benefit because the company would gain from the arrangement.

Stepping up his campaign over the alleged conflict of interest between Lord Simon's shareholdings and his role as a trade minister, Mr Redwood

also accused Mrs Beckett of misleading the Commons over her replies on Lord Simon's other 100-BP shareholdings.

Misleading the House is a sackable offence under the revised ministerial code of practice issued by the Government. Mr Redwood accused Mrs Beckett of giving assurances on 23 July that Lord Simon had transferred the Grand Met holdings worth an estimated £14,000 into a blind trust, but his name was still on the shareholding last Friday.

A spokesman for the Department of Trade and Industry rejected the charge, insisting that Lord Simon had signed for the shares to be transferred into the blind trust, as Mrs Beckett had informed the House and there were delays in the procedure.

Mr Redwood is determined

to keep up the pressure on the Government, in spite of misgivings among some senior Tory MPs and peers. One former Cabinet minister is upset at the style of the attack on Lord Simon, and there have been rumblings of discontent in the House of Lords among Tory peers at the pursuit of Lord Simon, one of Britain's top businessmen, by the Conservatives in the Commons.

But William Hague, the Tory leader, who led the attack in the House last Wednesday, is backing Mr Redwood and has ordered the Tory ranks in the Commons and the Lords to fall in line.

Lord Parkinson, chairman of the Conservative Party, also appeared uncomfortable when he joined in the attack on the former chairman of BP last week. Lord Parkinson denied he

was joining a "witch hunt" against Lord Simon.

Lord Simon said he had a "thick skin" and will not resign, but the former chairman of BP may feel that in spite of the support he is getting from Tony Blair, the criticism is making his position untenable.

John Bercow, Tory MP for Buckingham, last night wrote to Peter Sutherland, chairman of the compensation committee at BP, questioning Lord Simon's eligibility for his £2m shares.

"My understanding is that it is normal practice for staff who retire or who leave without going to another job to be eligible to participate in such plans."

"However, I did not think that it was normal for staff leaving to take another job still to receive benefits from their former company even if those benefits related to prior years."

BT's ISDN lines let you meet face to face without having to travel office to office.

Why not change the way we work?

BT

To connect for only £20 more than a normal BT phone line

Freefone 0800 800 800

*WITH VIDEOCONFERENCING EQUIPMENT. OFFER ENDS 12.10.97 ON LINES INSTALLED BY 9.11.97. FOR EXAMPLE, CONNECTION TO BT'S ISDN START-UP PACKAGE COSTS JUST £119.00 (EX VAT), INCLUSIVE CALL ALLOWANCE OF £105 PA, MINIMUM CONTRACT PERIOD 2 YEARS. QUARTERLY LINE RENTAL £133.75 (EX VAT).



Light fantastic: Sunset on Mars, snapped by the Sojourner rover (below), carried to Mars a month ago and which now faces the ultimate test as its battery runs down and it is buffeted by dust storms

Photograph: Popperfoto

Has the Sun finally set on Sojourner's roving trip around the Red Planet?

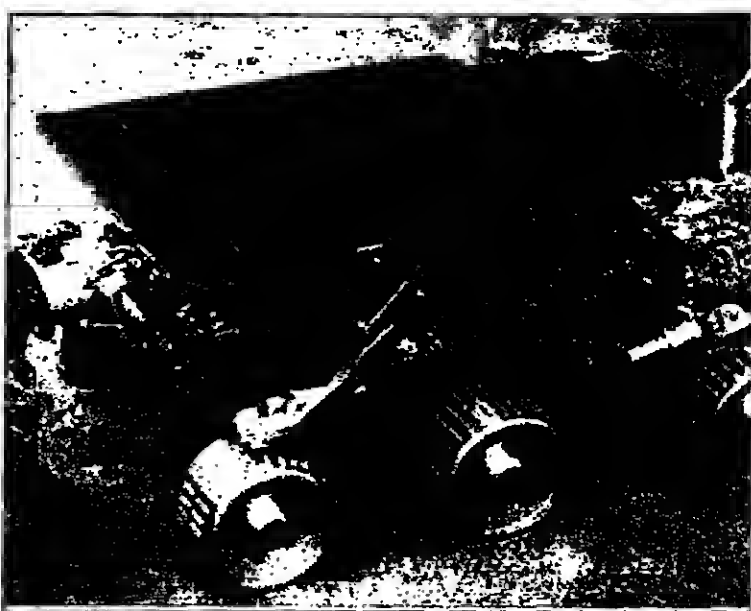
Charles Arthur
Science Editor

It has survived four times longer than its designers expected, but now things are really going to get tough for the Sojourner rover on Mars. After four weeks of working non-stop seven days a week, its badly depleted battery will now at times be recharged from solar power, and it will effectively have to shut down overnight.

Through its controlling scientists are delighted with its work, and expect it could continue for a long time. In a few weeks the rover will face its toughest test since arriving on 4 July. In autumn, huge dust storms, with winds that could exceed 160km/h and which can last weeks or months, start.

That will limit the scientific work the rover, about the size of a microwave oven, can do. But scientists at the Nasa US space agency have already said they are satisfied with the mission, which began when the *Pathfinder* crash-landed into a dried-up river valley near the Martian equator four weeks ago after an eight-month journey.

Matthew Golombek, one of the



Pathfinder project scientists, said that so far the mission has achieved all its scheduled scientific and engineering goals. The team still plans for *Sojourner*

to do spectroscopic examinations of a number of other rocks in the immediate vicinity of the lander. But last night the team at mission control in

Pasadena were waiting to see whether a two-day rest, the first weekend off *Sojourner* has had, had succeeded in fully recharging its batteries.

The dust-filled atmosphere and swings in temperature, which ranges from a high of -12°C during the day to -76°C at night, have made it more difficult to keep the battery charged.

Initially, Nasa had expected the *Sojourner*'s batteries might survive for just a week before the charge-discharge cycle would become unsustainable.

But it has kept going for much longer, performing spectrometer studies to establish the composition of rocks that the scientists have dubbed Shark, Half Dome and Wedge.

The lander has been sending back increasingly high-quality pictures and data of the Martian sunrise and sunset.

The spectacular images have come from a growing amount of data, with roughly 50 megabytes, equivalent to that stored on nearly 40 floppy disks, sent over the millions of miles through space from the nearest planet.

The dawn images revealed pale pink sunrises and clouds floating over-

head, with reddish tints caused by Martian dust, composed of oxidized iron - like rust - which is present in the atmosphere. Frozen water-ice clouds are evident in the Martian sky during the early-morning hours, but evaporate once temperatures rise.

"We expect late-night and early-morning clouds, but we expect those clouds will burn off fairly rapidly with sunrise, giving way to a dusty Martian day," said Robert Haberle of Nasa. The sunset images showed a sky darkening to salmon-coloured hues.

Although there has not been much variation in these weather conditions since *Pathfinder* arrived, they are expected to begin changing in about a month, as the Martian autumn arrives, bringing the dust-storm season.

One image which has intrigued observers is that of a shiny object about 1,200m from the lander. But salivating ufologists were firmly put off by Michael Malin, a participating scientist. He said the object is about the same dimensions as *Pathfinder*, and is probably its discarded back-shell, which separated just before the spacecraft landed.

Tories attack Labour's charade of spin

Colin Brown
Chief Political Correspondent

Downing Street "spin doctors" were accused last night of leaking the M16 inquiry of Chris Patten and the "reprieve" for the royal yacht *Briannia* as a smokescreen to cover for a series of blows to Labour's image, including Robin Cook's affair with his secretary.

The Shadow Home Secretary, Sir Brian Mawhinney, accused the Prime Minister's press secretary, Alastair Campbell, and Peter Mandelson, the duty minister during the holiday period, of manipulating the press to stop the ship being taken off celebrations for Labour's first 100 days in office.

Sir Brian, the former Tory party chairman, alleged that the Downing Street information machine used press briefings about *Briannia* and the M16 inquiry to take attention away from the series of blows to Labour's image.

He claimed that Downing Street feared the weekend newspapers would be dominated by the break-up of the Foreign Secretary's marriage, and that it would be damaging for the Government coming on top of the allegations against Labour figures in a suicide note by the Scottish MP Gordon McMaster, and the party's defeat in the Uxbridge by-election.

Downing Street was aware last week that details of Mr Cook's relationship with his secretary were about to break in the press, on Sunday, Sir Brian said they used the briefings to stop the public coming

in terms with the tarnished image of Labour in office.

Robin Cook has been in the news this weekend and it is understandable they would want to deflect attention away from Mr Cook's private activities. That is the same Mr Cook who has been lecturing us on high ethical standards from this Labour government - we now know what new Labour ethics are starting to amount to," Sir Brian said on BBC radio.

"I think there is media manipulation going on precisely to deflect attention away from the Uxbridge by-election defeat, from the difficulties in the private lives of ministers, and the problems of Lord Simon, and the suspension of the Labour Party in Doncaster. All of these



Firm grip: Peter Mandelson (left) and Alastair Campbell are accused of using press briefings to deflect attention from dents to Labour's image

are stories which had they been related to the Conservative Party a few months ago would have been splashed from the top of the news in the bottom of the news, day in and day out."

Mr Mandelson, Minister Without Portfolio, is due to host

a press conference on Friday with John Prescott, the Deputy Prime Minister, at Labour's Millbank campaign headquarters, and the Tories believe Downing Street feared it would be tarnished.

Defence ministers had no

knowledge of the so-called "reprieve" for the royal yacht until they read it in the Sunday newspapers. They were dismayed by reports of a plan to carry out a £50m refit and feared they were being "bounced" into the decision

and, as reported exclusively in yesterday's *Independent*, angrily denied that any decision had been taken.

Downing Street yesterday confirmed that the refit was merely one of the options, although Mr Mandelson had ap-

peared on Sunday to give it his backing.

In a further unusual development, Downing Street yesterday also said police had not been called into the inquiry into the allegations surrounding Mr Patten, leaving the threat of prosecution of the former Governor of Hong Kong, as reported in Sunday newspapers, looking overstated.

The Sunday newspapers were briefed that M16 was investigating a possible breach of the Official Secrets Act involving Mr Patten. The Foreign Office refused to comment, but Downing Street sources freely confirmed the reports were true and Mr Mandelson confirmed the existence of an M16 inquiry on BBC radio.

The briefing was seen by the Tories as confirmation of the way the party machine has taken over No 10 press office since Mr Mandelson and Mr Campbell arrived. They have merged the briefings on government and party business, and are keeping a check on the other press offices around Whitehall. It has coincided with the departure of at least three chief press officers, which some civil servants see as further evidence of Downing Street taking a grip of the government information machine around Whitehall.

The first to go was Jill Rutter, who left the Treasury last week after clashes with the special political adviser to the Chancellor, complaining it was like Princess Diana, with "three in a marriage". Andy Wood, chief press officer at the Northern Ireland Office for 14 years, stepped down and went on leave last Thursday.

It was also announced that Liz Drummond, chief press officer at the Scottish Office, is leaving next month, when the party and government machines will be campaigning for a "yes" vote in the referendums in Scotland and Wales.

The press officers are said to have gone amicably but civil servants have described it as being like "a night of the long knives". Downing Street under brief on party business. His last press secretary, Jonathan Haslam, a career civil servant, was moved after the election to the Department of Education and Employment as director of

Cook's estranged wife puts on brave face

Kim Sengupta

Media fascination with the extra-marital affair of Robin Cook, the Foreign Secretary, showed no signs of fading yesterday as sympathy grew for his estranged wife.

Dr Margaret Cook broke her silence over her husband's liaison with his Commons secretary, Gaynor Regan, by refusing to be bitter in public and stressing that he was a good MP and minister.

In a brief statement she said: "Whatever my husband's private life may have been, he has always been a very good Member of Parliament and is a very

good Foreign Secretary. These are the only matters of concern to the general public."

But friends and neighbours say Dr Cook, a consultant haematologist, is "devastated" after two attempts in the past year to persuade her husband to repair the damaged marriage.

It was revealed that Mr Cook had planned a riding holiday with his wife in the US state of Montana which he only cancelled because of the impending exposure of his affair.

A friend of Dr Cook said: "Let's face it, he only told her the marriage was over last Friday, when he knew the story was about to break. Until then, he

was preparing to go on holiday with her. He was going to fly out on Saturday. She feels publicly humiliated."

Dr Cook, 50, first found out about the affair last summer, said friends. She pleaded with her husband to end it and try to salvage the marriage.

The couple agreed to "work things out". But at Christmas he returned home and admitted he was still continuing with the affair.

Even then, friends claim, Dr Cook asked him to try again, and he agreed. Thinking she had not been with him enough in his professional life, she went with him to Hong Kong for the han-

dover. But last Friday, Mr Cook told her that the *News of the World* was preparing to publish the story of his affair, and the marriage was over.

It also emerged yesterday that Mr Cook and Ms Regan, who is divorced, went to extraordinary lengths to avoid detection. According to reports, she would go into the flat that she shared with Mr Cook in Fulham, south-west London, and apparently sit in darkness, sometimes for hours, to make it appear unoccupied, until he arrived.

In the morning, carrying a black binbag as though he was putting out the rubbish, Mr

Cook would feed the parking meter beside Ms Regan's Renault Clio. He even, it is alleged, took counter-surveillance measures to ensure his Special Branch bodyguards did not run into her.

Having spent the week with his secretary, Mr Cook would return to the family home at weekends. In the past, Dr Cook described her husband as a romantic who bought her chocolates and flowers. She added: "Not many men do, I gather, I should be very grateful. He also buys me gorgeous underwear and nightdresses."

Tony Blair has expressed his sadness at the "personal

tragedy" of the marriage split, but party spokesmen have stressed that unlike John Major, new Labour has never made a big issue of "family values" or attempted to campaign on a "back to basics" platform.

One of Labour's female MPs said: "There is a lot of sympathy for Robin Cook's wife and a feeling he has treated her rather badly. This has apparently been going on for at least a year, and what came out shows they [Mr Cook and Ms Regan] made a lot of efforts to hide their affair."

"As a woman, I feel quite strongly about this and I know so do some of my colleagues".

Not buying Dell? No more excuses.



FREE SPEAKERS
FOR FIRST
250 ORDERS

- DELL DIMENSION™ XPS H233
- INTEL PENTIUM® II PROCESSOR, 450MHz
- 256MB ECC RAM
- 52X/24X INTERNAL CD-ROM
- 4.2GB 3000 RPM HARD DRIVE
- NEW 5.25" FLOPPY DRIVE
- WITH 4MB ECC VIDEO MEMORY
- 15" COLOR SVGA MONITOR
- 16.7M HIGHSPEED SPEAKERS
- 3 PCI, 2 ISA AND 2 FLOPPY
- SHARED EXPANSION SLOTS
- 1X/24X CD-ROM DRIVE
- INTEGRATED 16-BIT SOUND
- 300-MHz DESKTOP CLASS
- MICROSOFT® OFFICE 97

£1,249 (£1,496.95)
INC. DELIVERY & VAT

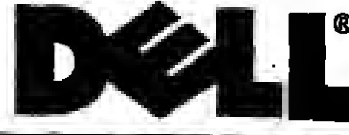


Now is your chance. We're giving away the Dell Dimension XPS H233 incorporating the most advanced Pentium® II processor for the unbelievably low price of £1,249 (£1,496.95 inc del. & VAT). And to give you no further excuses there's a free set of speakers* for the first 250 customer orders.

All from the world's largest direct PC manufacturer.**
Visit our website or call us today. *After Lansing ACS90 **Source: IDC.

LATEST TECHNOLOGY PENTIUM® II
PROCESSOR BASED SYSTEM

GET ONLINE TO THE
08 70 15 24 7
BETWEEN 9AM-5PM MONDAY-SATURDAY
To order online: www.dell.com/uk



A plastic sheet, and we can read

Lucy Ward reports on a discovery that colour helps children learn

Transparent sheets of coloured plastic laid over books help children to speed up their reading, psychologists say.

The discovery, made during experiments by the Medical Research Council, builds on previous work which revealed that pupils with a reading problem which makes words seem to "wobble" on the page can also be helped to conquer their difficulties using the sheets.

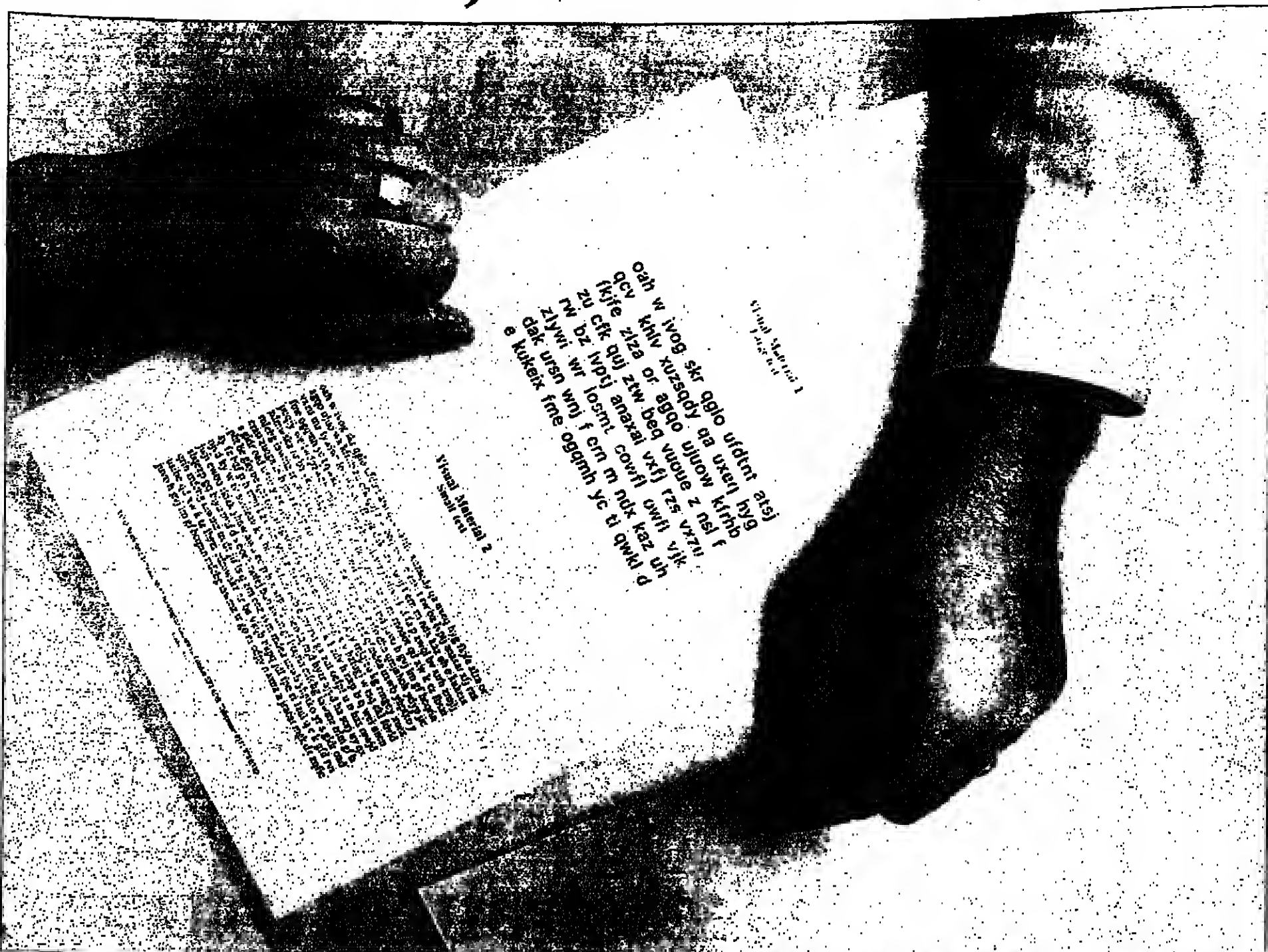
Psychologists from the council's applied psychology unit in Cambridge made the latest breakthrough after testing children in schools in Cambridge and Norfolk.

In 15 Norfolk schools, all the eight-year-olds were asked to choose from a selection of tinted plastic sheets, known as overlays, to see which, if any, made reading clearer and easier. They were then timed as they read a series of random words on a printed card, both with and without the overlays. If they wished, they were permitted to keep the sheets - found to make a difference by more than half the children - and use them while reading in school.

Identical tests given to pupils at the start of the experiment last autumn and in June revealed that around one-fifth were able to read more quickly with the overlay than without. Meanwhile, those in a control group who had seemed to need overlays but had been denied them showed a deterioration in their reading rate. Those who had struggled most with reading were more likely to choose an overlay to help.

The project, headed by Arnold Wilkins of the Cambridge applied psychology unit, was led in Norfolk by David Pounton, head of the county's sensory support service. The results had been "dramatic", Mr Pounton said.

Norfolk already leads the field among local education authorities in using overlays to



Visual aid: Children found that putting tinted sheets over their books helped to keep words still on the page, and enabled them to read faster

Photograph: Nicola Kurtz

help children who are experiencing some reading difficulties. Research carried out in New Zealand and the United States prompted the authority six years ago to explore the potential of the coloured sheets. "Children were coming to us and saying

letters moved or jiggled and of course, in common with lots of other people, we were saying 'Are you sure?'. Mr Pounton said. "But then we began to hear more about this research and became less sceptical about it."

Children with a condition known as "visual perception difficulty" see letters appear to move and create stripes and patterns rather than clear text. One boy referred to Mr Pounton described what he saw as "the letters getting up and running round the page".

In Norfolk, pupils suffering serious problems have been given overlays to use over their schoolbooks. If they continue to rely on the sheets, they are sent to an optician to be prescribed glasses with tinted lenses. Researchers are also exam-

ining the role of coloured plastic sheets in tackling migraines. Bruce Evans, of the Institute of Optometry in London, said: "Some people get migraines when light is a trigger and they may also be helped by coloured filters, perhaps in glasses."

He added: "The weird thing about this is different people need different colours and sometimes the colour a person needs can be quite specific. They may need a blue filter but if it's light blue instead of dark it won't help them."

Head of failing school signs up as inspector

Lucy Ward
Education Correspondent

The headteacher of a Cambridge primary school which was found to be failing despite educating the children of university academics is to inspect other schools after stepping down from his post.

Martin Lown, who leaves Newnham Croft Primary at the end of this month after 10 years at the school, passed a training course run by the inspection

agency Ofsted and will join teams inspecting primary schools next term.

Parents at Newnham Croft, who include a number of Cambridge University tutors and lecturers, were shocked when a highly critical Ofsted inspection report published in March found that the school was failing to provide its pupils with an acceptable standard of education.

Although pupils were often matching national expectations for their age group, their work

in class was not reflecting their full capabilities, inspectors found. Although reception classes gave children a good start, the atmosphere in classrooms higher up the school did not enable pupils to learn properly.

In infant classes, no work at all was of a high standard, inspectors found. They wrote in their report: "Hardly any work is in line with the expected standard for their age, although pupils' talk indicated that they are articulate and quick on the uptake. Writ-

ing and number work is careless and meagre in quality."

Inspectors recommended that the school should improve curriculum planning to ensure all subjects were covered and set out clear goals for each lesson. Some parents had accused the school of refusing to listen to their complaints that their children were progressing too slowly.

As a team inspector, who joined the Ofsted register three years ago, Mr Lown has signed up with agencies who had

for contracts from Ofsted to inspect primary schools.

"To be accepted as a team inspector, teachers or heads have to demonstrate that they have sufficient experience of their subject area or of management of schools, and must provide references. If considered suitably qualified, they must undergo five days of training spread out over up to eight weeks - a process described as rigorous by Ofsted."

Mr Lown said that Newnham

Croft had been through a number of "crises and difficulties, most of which were beyond my control". He had told inspection agencies of the situation and all had told him they were happy to accept him, he said. Only the agency which had sent the team to his own school had declined to add his name to its books. "By mutual agreement".

Since the Newnham Croft inspection, the Chief Inspector of Schools, Chris Woodhead, has continued to stress Ofsted's focus on teaching quality and particularly on standards in numeracy and literacy.

However, Mr Woodhead acknowledged last week at a teachers' conference that the service needed to remedy some weaknesses among team inspectors. Some needed more training to ensure that they were qualified to inspect a variety of subjects, while others had been "inhumane" in denying teachers feedback after classroom observation.

Carol Macaskill, head of the institute's initial teacher education section, said the courses might appeal to adults seeking a new career after being made redundant.

"Downsizing in the City and in industry may mean people are looking for a second career," she said. "We are spreading awareness of the possibilities, and trying to give an idea of the possibilities of teaching."

Stricter rules for treasure hunters offer silver lining

Kim Sengupta

Arts minister Mark Fisher yesterday unveiled new guidelines to codify treasure hunting for the first time in 750 years.

Until now the rules of treasure hunting have been based on common law practices. The new code lays down a series of penalties for those who try to keep their find a secret.

Under the Treasure Act Code of Practice, anyone who fails to disclose their bounty within 14 days faces a maximum sentence of three months imprisonment and a £5,000 fine.

The measures, introduced by the Department of Culture,

Media and Sport, are intended to safeguard treasures for the nation. The Crown now only has a claim to unearthed antiquities if it can prove they are made "substantially of gold or silver", if they are deliberately hidden, or if the owner is not known.

The reforms, which come into effect on 24 September, widen the definition of treasure by removing the need to establish that it was hidden with the intention of recovery. The classification of items which can be considered as treasures is also expanded to include coins more than 300 years old found in hoards; other objects with at least 10 per cent gold or silver

content; objects found in archaeological association with the above; plus any object covered by previous definitions.

A comprehensive system of rewards is also being introduced. Owners of land containing treasure would have to be informed of the find, and would become eligible for cash awards. Finders who inform landowners of their searching would also receive rewards, but those who fail to do so, or who trespass, could find the amount reduced or withheld.

The Government expects the new act will increase its number of treasure hauls from around 25 a year to 200.



Mark Fisher: Good practices

Mr Fisher said yesterday: "The Government is fully committed to seizing this opportunity to educate people on the good practices they should adopt when they find objects which might be declared treasures."

Hospital closures unlawful

A cash-strapped health authority's decision temporarily to close in-patient services at two West Country cottage hospitals to save money was ruled unlawful and blocked by the High Court yesterday.

In what is being seen as a test case which could affect other health authorities, a judge ruled that North and East Devon Health Authority "erred in law" in failing to appreciate at an early stage that the closure proposals had triggered a duty to consult the public.

The judge said the duty arose last April, when it was clear that the threatened closures of Winsford and Lynton hospitals was under consideration.

Health chiefs did not formally decide to go ahead with the clo-

sures until June and then said that there would be no formal consultations with the community health council, or the public, because the cuts had to be made as an emergency measure to save £215,000.

Mr Justice Moses said this was an error which "tainted" the closure decisions. There could be little doubt that by June the need to make savings "to balance the books" was urgent, as earlier estimates of the health authority's deficit had been "too optimistic". The amount had risen to £2.2m.

Philip Engelman, for the health authority, had argued that the decision to discontinue with consultation could not be impugned as "irrational" and unlawful because of the urgent

need to make cuts. Disagreeing, the judge said the 1996 Community Health Council regulations "were clearly aimed at achieving sufficient time for proper consultation".

If a health authority "could allow time to pass to the point where matters were so urgent that there was no time left for consultation" it would seriously undermine the purpose of the specific regulation which allowed them to avoid consultation in emergency situations.

"It would permit a health authority, taking the view there was only one practicable solution, to pre-empt the result of proper consultation," said the judge, adding that "consultation has been given a low priority by health authorities recently".

The ruling was a victory for local residents dependent on the two hospitals who brought the successful High Court challenge, unofficially estimated to have cost the health authority £15,000-£20,000.

They included Andrea Baylis, from Caddingham, near Bodmin, who was opposing on behalf of her mother, Greta, a decision of North and East Devon HA to instruct Northern Devon Healthcare NHS Trust to close temporarily in-patient services at Winsford Hospital by 15 August at the latest.

The health authority faces having to go through a six-week consultation period over the proposed closures unless the ruling is overturned as the judge granted leave to appeal.

Free business phone calls.

Turn to page 15.

New from America

Advil

IBUPROFEN

Advanced medicine for pain

Nothing is proven to work better for headaches.

Trade mark. Always read the label.

THE INDEPENDENT

WIN a set of Modern Classics and a SANYO Actioncam Point and Shoot Palmcorder

Modern Classics is the essential collection for any film buff to add to their library. Films which have been selected for their pioneering acting, technical craft and scriptwriting.

This collection includes Raging Bull, 2001 A Space Odyssey, The Defiant Ones, In the Heat of the Night, Midnight Cowboy, Ryan's Daughter, Get Carter, Last Tango in Paris, Annie Hall, Manhattan, Raitanen and Thelma and Louise.

We have a full set of twelve videos and a SANYO Actioncam Point and Shoot Palmcorder to win.

With each video is the original theatrical trailer and informative film guide including cast details and full synopsis.

To enter this MGM Modern Classics competition simply dial the number below, answer the following question on line leaving your name and full address:

Which famous actor played in both *Midnight Cowboy* and *Rainman*?

Call 0930 525 737

Calls cost 50p per minute at all times. Winner picked at random after lines close 9th August 1997. Usual Newspaper Publishing rules apply. Editor's decision is final.

DIRECT LINE INSTANT ACCESS ACCOUNT

UP TO **6.80% GROSS.**

Small space. Big savings rate.

Balance	Annual Gross Rate
£1-£4,999	5.35%
£5,000-£9,999	5.70%
£10,000-£24,999	6.40%
£25,000-£49,999	6.50%
£50,000-£99,999	6.70%
£100,000+	6.80%

All rates correct as 1st August 1997.

Call one of the numbers below for high interest with instant access.

0181 667 1121 LONDON
0161 833 1121 MANCHESTER
0141 221 1121 GLASGOW

CALL ANYTIME 8am to 8pm Monday to Friday and 9am to 5pm Saturday.

A Royal Bank of Scotland company. Please quote ref. IND94

Calls may be recorded for your added security. Full terms and conditions of the account are available on request. Direct Line and the red telephone are trademarks of Direct Line Insurance plc, and with its permission. Rates subject to variation.

international

Russia offered nought for its comfort

Yeltsin's new roubles look suspiciously like the old ones, less a few zeros

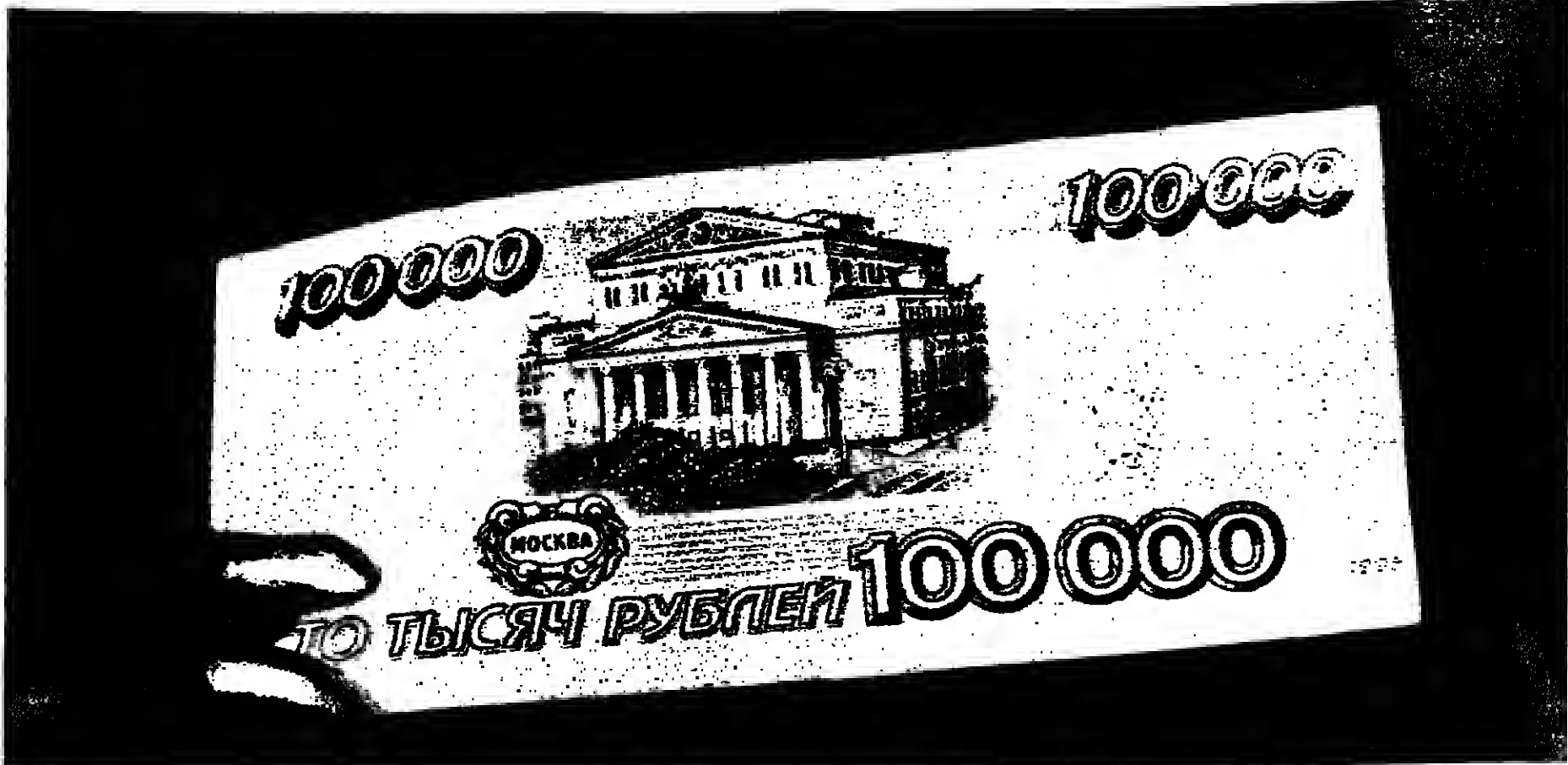
Helen Womack
Moscow

Success in the fight against inflation had made possible a reform which would relieve Russians of the need to carry wads of roubles to make the simplest purchases, President Boris Yeltsin said yesterday.

Showing he had learnt from past mistakes, when such reforms caused panic and amounted to a confiscation of savings, he gave five months' notice of the change and said that even after new rouble notes were introduced on 1 January the old ones would be valid until 2002.

"Today we reliably control money circulation and control inflation," he said in an address to the nation as he ended his summer holiday and prepared to resume work in Moscow today. "The prices of basic goods are practically stable. That is why we made the decision to conduct the money reform." Thanks to a tight budgetary policy on which reformers have insisted and in spite of howls of protest from the Communist opposition, Russia has seen a miracle over inflation, which rocketed when prices were first freed in 1992 until 1996, when it fell to 22 per cent. This year it is 12 per cent.

Under the reform, one new rouble will be worth 1,000 old ones. Until the end of 1998 shoppers can still use old notes, simply knocking off three noughts. For another three full years after that the old notes will be



Cashing in: An old note, to be replaced gradually by 2002, to avert a repeat of the panic which often attended monetary reform in the past

Photograph: Reuters

accepted for exchange by the banks. "Nobody will lose anything as a result of this reform," Mr Yeltsin said. "Nobody's interests will be harmed. This reform will not be a confiscation." Russians have not forgotten the summer of 1993, when the government announced it was withdrawing certain denominations of the rouble and gave the population only a few days to change their money. Pensioners had heart attacks in the

huge queues which built up outside banks and many, unable to make the transaction in time, lost their life's savings.

This time the more competent hands of Anatoly Chubais and Boris Nemtsov, the new reformers now surrounding Mr Yeltsin, are evident. "We will gradually replace the old money with new," said the President. "The standard unit will be one rouble. It will be easier, more familiar,

without all the extra zeros. New zeros will never again appear on our banknotes."

Geoff Winestock, editor of the *Moscow Times* and an expert on the economy, said the reform was largely cosmetic, designed to make Russians feel they had a real currency instead of monopoly money. At present, they must carry a sackful of cash just to buy bread at 2,500 roubles a loaf or vodka at 18,000; the

rouble has limited convertibility at a rate of 5,800 to one US dollar.

"Everything depends on how the government runs the economy from now on," said Mr Winestock. "After what Mr Yeltsin has said, it will be very embarrassing for them to have to add more zeros to the rouble, so in a sense this is a bit more than a public-relations exercise. It is a way of forcing themselves to be honest."

Overall, the economy is still not

healthy. The pension backlog has been cleared but the government is having to auction state property to meet obligations to the army and the massed ranks of unpaid doctors, teachers and other public workers. Compared with Soviet times, Russian shops are bursting with goods to satisfy the consumer but they are mainly imports. Domestic industry is on its knees and unemployment is far higher than statistics show.



Money madness

The Russian government is by no means the first to try the trick of knocking off a few zeroes, writes Margaret Rogerson. Brazil, Argentina, Yugoslavia and many others confronted with hyperinflation have tried the same tactic. In an effort to curb inflation, the Reichsbank in Weimar Germany issued a new mark - each one worth a trillion old marks - to save Germans from taking a wheelbarrow of money to the shops: in November 1923 a loaf of bread cost over 200 billion marks; a construction worker was paid 3 trillion marks a day. The world's worst inflation occurred in Hungary in 1946 when the 1931 gold pengo was valued at 130 million trillion paper pengos. Notes were issued for "seymilliar billion" - 10 with 21 noughts after it - on 3 June and withdrawn on 11 July.

significant shorts

EU raises stakes in row over Bosnian integration

Britain and its main European partners stepped up pressure for a real peace in Bosnia by suspending contacts with Bosnian embassies, because of the failure of the Muslim-Serb-Croat presidency in Sarajevo to appoint new ambassadors to their capitals. A week after visiting Bosnia to deliver a scolding for slow progress on the Dayton accords, Robin Cook, the Foreign Secretary, said he was suspending contact with Mugdim Pasic, the Bosnian chargé d'affaires in London. He is also refusing to approve a new ambassador, because it has not been cleared by the joint presidency by the 1 August deadline set by Nato foreign ministers in May. Similar steps are being taken by France and Germany. The ministers have set deadlines for new laws on citizenship and passports by 15 August, re-establishment of a joint civil-aviation authority by 21 August, and a common flag by 1 September.

Rupert Cornwell - London

India mystifies UK university

A British university said it was surprised to learn an Indian court had ordered it to stop awarding degrees in India - something it has never done. "It's a very strange legal system that can grant an injunction against somebody about something they're not doing," said Vanessa Bridge, spokeswoman for the University of Leeds. Its name cropped up in a temporary court order in Madras seeking to stop foreign schools holding classes, collecting fees or operating in India.

AP - London

SA hit-men granted amnesty

A former South African police hit-squad leader was granted amnesty from prosecution for the murder of an anti-apartheid lawyer, Dirk Coetzee and two accomplices, David Tshikalanga and Almond Nofomela, were granted amnesty by the Truth and Reconciliation Commission for the slaying of the lawyer Griffiths Mxenge in 1981. The commission said they had acted on orders of senior officers.

Reuters - Johannesburg

German flood bombshell

German soldiers reinforcing dikes along the Oder river had to remove four Second World War bombs. The find halted construction of a levee behind the weakened main dike at Reitwein.

AP - Frankfurt am der Oder

Oldest person, 122, dies

Jeanne Calment, who credited olive oil and port for making her the world's oldest person, died aged 122 in Arles. Though blind, nearly deaf and in a wheelchair, she remained spirited and mentally sharp to the end. On her 121st birthday she released a CD, *Time's Mistress*, on which she reminisced to rap.

AP - Arles

Obituary, page 10

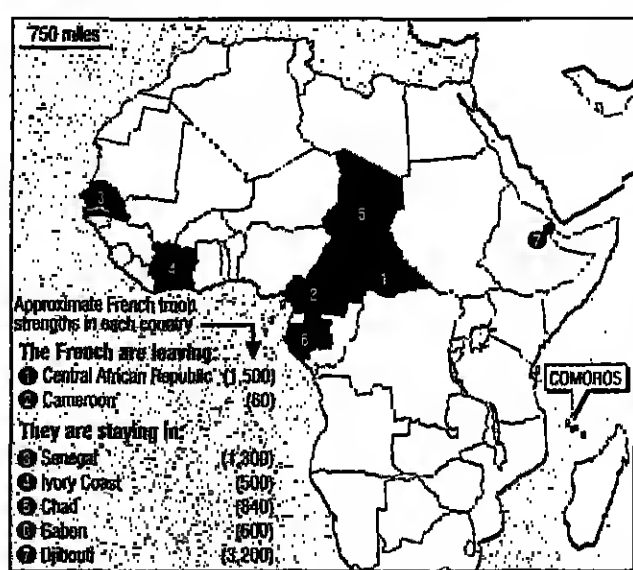
French feel strain of colonial legacy

Military presence reduced in Africa

Paris - The French government confirmed yesterday that it intended to reduce and rationalise its military presence in Africa, writes John Lichfield.

Alain Richard, the minister of defence, returning from a three-nation African tour, said the permanent French commitment would be reduced from seven bases to five and from 8,100 men to 6,000.

The previous centre-right government had been considering a similar retrenchment, partly for financial reasons but also as part of a less interventionist approach to the politics of its former colonies. There has been speculation that the new Socialist-led government wanted to go further and faster, provoking arguments with President Jacques Chirac. But Mr Richard told the newspaper *Libération* yesterday that the changes had the "full agree-



ment" of the President.

He said the intention was to increase the mobility of the French troops available for African operations, allowing France to "do the same with less". The five main bases would be in Senegal, Gabon, Chad, Ivory Coast and in Djibouti (partly covering the Middle East). Bases in Cameroon and Central Africa would close, but a small contingent could remain at the airport at Bangui, the Central African capital, to maintain a bridgehead for possible future French

operations. Although this is far from a complete abandonment of France's political and military role in Africa, it does reflect a new approach and a recognition of new realities.

Mr Richard hinted, without stating directly, that previous French policy had been based on a willingness to take sides in internal political quarrels. In future, he said, the intention would be to come to the aid of threatened French citizens, to help to "stabilise" Africa but not to "arbitrate between rival forces".

John Lichfield
Paris

After 21 years of independence, the tiny Indian Ocean island of Anjouan, has had enough. It wants, once again, to be part of France and, especially, part of the French welfare system.

More than 7,000 people marched through the capital at the weekend carrying the tricolour and a portrait of President Jacques Chirac. After throwing a few stones at the gendarmerie headquarters, their leaders declared independence from the Comoros group and begged Paris to "bear their cries of distress".

The Comoros government dismissed their pleas but so did France. Paris maintains excellent relations with most of its former colonies and does not want to encourage the disintegration of former colonial boundaries. It is unlikely to want to take over responsibility for an impoverished, overcrowded island (250,000 people in an area the size of the Isle of Wight, with an annual average income per head of about £300). The inhabitants - Les Anjouanais - look enviously at the similar-sized island of Mayotte, 60 miles to the south-east, which refused independence in a referendum in 1974. Mayotte, as part of France, has a

Islanders beg Paris to take them back

higher standard of living, free education, a minimum wage, family allowances and social security. The separatists say Anjouan has been "ignored and humiliated" in the last two decades by successive regimes in the capital Moroni, on the Grand Comore island, to the north-west.

The dispute sounds like the plot for an Evelyn Waugh novel. But it has its darker side. Although the weekend protest passed off without injury, Comoran soldiers fired on a similar demonstration in March, killing one person and injuring a dozen. There were also violent confrontations, leading to two deaths, when thousands of Anjouanais poured onto the streets on 14 July to celebrate the French national day. Inhabitants of the third, and smallest inhabited island in the group, Moheli, have also started to agitate to be returned to France.

The French foreign ministry

has made it clear that it has no interest in regaining these scraps of empire, formerly separate Arab-controlled emirates, annexed by France in 1912. France, the ministry said, remains committed to the "territorial integrity of the Islamic Republic of the Comoros. It hopes that, in this internal Comoran affair, a spirit of negotiation will prevail".

The President of the Comoros, Mohamed Taki Abdoukarim, has recently taken a conciliatory line, offering the smaller islands greater autonomy and an opportunity to draw up a short-list from which their governors would be chosen. But the Andoujan revolt, led by Abdallah Ibrahim, 71, has gathered considerable popular support in the last four months.

In the referendums held on the islands in December 1974, Andoujan voted overwhelmingly for independence as part of the Comoros Republic. The count was 99.92 per cent in favour of separation from France, with only 44 voters against. Mayotte, with a population of only 94,000, voted 64 per cent to remain as a French territory. Since then, Mr Ibrahim claims, the smaller islands have been starved of whatever economic developments have occurred in the coup-haunted Comoros.

Civilians fall casualty to shattered truce

Robert Fisk
Beirut

It was accompanied by all the usual clichés. An operation of "surgical precision", every care taken for civilian life, "well within the parameters of the April [1996 truce] understanding".

That is how the commander of the Golani Brigade put it yesterday after his men had returned from their firefight at the small Lebanese village of Kfour, north of their occupation zone. And it is true that at least five Hizbol-

lah guerrillas were killed and another two wounded.

Unfortunately for the mangled south Lebanese ceasefire, however, three civilians were wounded in Kfour and the fighting took place around the village; the wounding of civilians and firing into villages are both banned under the terms of the ceasefire agreement.

A pitched battle had begun in the early hours after Israeli troops had been flown by helicopter to a location close to Kfour and encountered both Lebanese army troops and Hizbollah

men. When they retreated back to their helicopters, the Israelis laid booby-trap mines behind them - into which the five Hizbollah men blithely walked once the Israelis had flown away.

In military terms, it was indeed a coup for the Israelis. The Hizbollah have been exacting a fearful toll on Israeli occupation soldiers inside Lebanon and the dead included Hussein Kassir, the local Hizbollah commander. He and his guerrillas, according to Colonel Erez, the Golani commander, had "Golani blood on

their hands". Which may be true. But it is now only a matter of time before a further attack will be made on Golani soldiers in Lebanon now that they have obligingly let the Hizbollah know which Israeli unit to revenge themselves upon. The Lebanese authorities are already drafting their next complaint to the five-power ceasefire committee - whose chairmen have been pleading for more restraint in southern Lebanon - and the truce is just a little more tattered.

Israel arrested 29 Palestinians early

yesterday in a sweep of the West Bank, as part of a strike to weaken Islamic militants after a twin suicide bombing took 15 lives in Jerusalem last week. Israel also stepped up demolition of houses built without permits by east Jerusalem Arabs, raising four, AP reports.

Since Wednesday's bombing, Israel has arrested 145 Palestinians, imposed tight travel restrictions on the West Bank and Gaza Strip, and suspended talks with the Palestinians that had just resumed after a four-month break.

SuperSeaCat

No one performs like Hoverspeed to really get your French Summer holiday going.

Take the new, state-of-the-art SuperSeaCat from Dover and be heading into Calais in just 35 minutes (with hassle-free loading and unloading).

On board, enjoy more space and comfort... computerised ride control for a smoother crossing... a panorama window bar... seat-service... and VIP treatment in new 1st.

Call us today.

At our prices, even your holiday budget performs brilliantly.

SUPERFORMANCE ACROSS THE CHANNEL.

Only 35 minutes,
Dover harbour wall - Calais harbour wall.



STILL THE FASTEST WAY TO FRANCE

HOVER SPEED
FAST FERRIES

0990 240 241

*Unreserved space. Subject to availability. Bookings must be made 14 days in advance of travel. There is a £20 charge for amendments and a 50% cancellation fee. Approx fares and Aug 31st. *Average crossing time based on 198 crossings from 26th June until 17th July 1997

<http://www.hoverspeed.co.uk>

سكزا من الاصل

Ed O'Loughlin reports from Gulu on a crusade orchestrated by a former Catholic altar boy



Holy terrors: The Lord's Resistance Army has murdered thousands of civilians. Oyet Lakweka, 18, (centre back) owns up to the massacre of 200 Photograph: Ed O'Loughlin

Brainwashed children of God blaze trail of murder and mayhem in Uganda

For the past five years, the people of northern Uganda have lived in terror of a strange and bloody children's crusade.

Led by a 34-year-old former Catholic altar boy called Joseph Kony, the army of abducted and brainwashed children that calls itself the Lord's Resistance Army has murdered thousands of civilians and devastated much of the north.

Their aim is to overthrow President Yoweri Museveni's government and rule Uganda in accordance with the Ten Commandments.

Since the insurgency flared four years ago, the authorities in Gulu district say the LRA has murdered 5,000 people and perhaps as many again in neighbouring Kitgum.

They believe 230,000 people have been displaced into protected camps, while the UN World Food Programme reports that war and drought are forcing it to feed 140,000 people in the region.

In addition to those killed, aid workers say hundreds—perhaps thousands—more have been attacked and mutilated for disobeying Kony's decrees.

Anybody caught riding a bicycle—the main transport in this remote region—is likely to be killed or have their feet hacked off. Those who speak ill of the rebels have had lips or noses cut off.

More recently, Kony declared pigs will not be tolerated and that Friday should be a second Sabbath. His enemies say this is a concession to his main hacker, the fundamentalist Islamic government of neighbouring Sudan.

The deepest religious influence on Kony, many suspect, is neither Christianity nor Islam, but witchcraft.

Before they acquired large quantities of modern infantry weaponry in the past four years, (Uganda's government accuses Sudan of supplying them),

many LRA soldiers went into action armed only with stones and machetes, smearing themselves with ointments that Kony said would render them bullet-proof.

He also ordered that all white livestock and chickens in rebel areas be slaughtered, along with anyone harbouring them.

Survivors of his base camps in southern Sudan say he often explains his orders by saying that "the Holy Spirit told me to do it".

Last week Oyet Lakweka, who claims to be 18 and a lieutenant in the rebel army, admitted having killed "many many people" since being abducted from his village, including about 200 massacred at Atiok, in Gulu district, in April 1995.

His field commander had told him an angel ordered the massacre. Lakweka was one of 18 children and rebel fighters captured or freed by the Ugandan army in the Gulu-Kitgum region last week.

The youngest, Siman Ocan, said he was 13 and had killed two people. The first was a soldier of the Sudanese People's Liberation Army, which, with

Uganda's aid, is fighting a war against the Khartoum government in southern Sudan.

The second was another child who tried to escape the LRA after they were both abducted. As a new "recruit", Siman had been ordered to help beat him to death.

For an instant his impassive face contorted: "I was sorry for that."

A recent report from the UN Children's Fund (Unicef) estimates up to 8,000 Ugandan children have been abducted by the LRA and taken to southern Sudan.

Those abducted are routinely ordered, on pain of death, to kill others guilty of breaching discipline. Sometimes they are ordered to carry out atrocities against their own families.

Young girls are forced to act as "wives" for older commanders. The World Vision charity says that since March 1995 its trauma counselling centre in Gulu has cared for 3,000 children who escaped or were captured by the Ugandan army.

The Ugandan government has promised an amnesty for all but the most senior LRA leaders, with whom it now refuses to negotiate.

The irony is that Kony draws both his killers and his victims from his own tribe, the Acholis. These were among the northern tribes which controlled Uganda from independence in 1962 until 1986, when Mr Museveni's National Resistance Army, composed mainly of southerners and westerners, took power.

The NRA's victory ended years of slaughter that cost hundreds of thousands of lives under Idi Amin, Milton Obote and Tito Okello, but many Acholi feared they would lose influence under the new order.

In 1987 thousands joined the "Holy Spirit Movement" of Alice Lakwena, an Acholi faith-healer whose supporters marched on Kampala armed principally with prayers and magic charms.

They were half-way there before Mr Museveni's men established that holy oil did not repel small-arms fire.

After Lakwena fled to Kenya, Kony, a young peasant with a reputation for delinquency and oratory, emerged as leader of a fresh Acholi resistance movement. Linking up with remnants of the old Acholi-dominated army, he gained new contacts among Acholi exile communities in Britain and North America, and with the Islamic fundamentalist regime in Khartoum, keen to avenge itself for Mr Museveni's support of the SPLA rebels in southern Sudan.

says, by awareness that the LRA's crusade is directed against its own people.

Foreign aid workers in the region say that the guerrillas depend more on fear than support. The army says only around 400 LRA guerrillas now remain in Uganda, and even these are running short of ammunition.

Colonel Kazini claims to have killed 57 of these in July alone, while another 45 deserted or were captured.

"If the SPLA captures Juha (capital of southern Sudan) then the LRA will vanish entirely," he says.

But this is not the first time the authorities have proclaimed the LRA's demise. "From what we hear they still seem to be well-organised," said the representative of an aid agency operating in Gulu and Kitgum. "I don't think they've finished yet."

He is confident that the LRA's days are now numbered — Acholi hostility to Mr Museveni is counterbalanced, he

The commander of Ugandan forces in the north, James Kazini, blames the LRA's continuing existence on weapons from Sudan and support among disaffected Acholi elders.

These, he complains, refuse to co-operate with the army and falsely tell guerrillas that they will be shot if they surrender.

He is confident that the LRA's days are now numbered — Acholi hostility to Mr Museveni is counterbalanced, he

Korean foes jaw in bid to end war

Richard Lloyd Parry
Tokyo

On paper, but only on paper, it looks like a momentous occasion. This morning in New York, for the first time since it fizzled to an inconclusive end in 1953, the four principal combatants in the Korean War will sit around a single table and talk about peace. The talks, between North and South Korea, plus China and the US, have been the object of diplomatic toil since spring, when they were suggested by President Bill Clinton and President Kim Young Sam of South Korea.

The tag-line for the meetings is that they will eventually restore peace to Korea for the first time since the 1950-53 war, which ended in a ceasefire rather than a permanent treaty. But nobody's expecting to hoist the bunting for a long time yet.

The initial goals are so modest as to appear fooling: military exchanges between the rival armies, advance notification of exercises and crisis hotlines. The US hopes to bring peace to Korea by offering Pyongyang supplies of fertiliser. Officials speak of offering their expertise in reforesting the mountains of the North.

But it turns out we have not even got that far. These subjects will be raised at the talks themselves, but today's meeting at Columbia University is only a talk about talks.

That the Koreans are sitting down to talk to one another is achievement enough, especially in company with the North's Korean War sponsor, China. But the modesty of the agenda

emphasises how many diplomatic leagues there are to cross before any settlement is reached and how alarmingly isolated Pyongyang has become. There are few pointers on this road to peace and the one obvious precedent — reunification of East and West Germany — offers more differences than similarities.

Through television and radio, East Germany had been bathed in Western brand names and aspirations for years. In Korea, communication is almost non-existent. This is as much a consequence of Seoul's paranoia as Pyongyang's totalitarianism.

The only way out of North Korea is defection, but South Koreans who visit the North without permission are also imprisoned, and forbidden from phone, fax or postal communication.

South Korean engineers will soon make an unprecedented official journey to the North to install nuclear reactors to replace ones suspected of contributing to nuclear weapons. Yesterday special phone lines were opened for them to contact their families.

Given such mistrust, confidence-building measures are simply a humble recognition of political realities. "Just because they may have very low expectations for these talks, the talks can succeed in spite of it," a US official said in Washington. "You can't rule out results before you begin."

With time, it is hoped, they will lead to closer contact, although, with a worsening food crisis, it is unclear how much time North Korea has left.

'You can't rule out results before you begin'

Catch our lowest ever standard Personal Loan rate*

Discounted standard rate offer ends 30 September 1997

*Advertised generally for Personal Loans other than with Advantage Premier and Gold.

Make a run for a NatWest Personal Loan

It's summer and we want you to enjoy it, so the not news is that we're cutting all our standard Personal Loan rates by a staggering 2% APR. This means that if you take out a Personal Loan of £7,100 or more now, you'll qualify for our lowest ever rate* of 11.9% APR.

For example:

Amount of loan	36 monthly repayments of	Total payable*	APR
£3,000	£102.49	£3,689.64	14.9%
			16.9%
£7,100	£233.44	£26,493.84	11.9%
			13.9%

Don't miss it

Be on the ball and make sure this offer doesn't pass you by. To be eligible you must apply by 30 September 1997.

NatWest customers can get an immediate decision* just by calling

0800 62 65 03

MONDAY to FRIDAY 9am to 8pm
SATURDAY 9am to 6pm
Or pop into any NatWest branch.

Non-NatWest customers will need to open a NatWest current account to apply for a loan. Pop into any NatWest branch for details.

*In some cases it may be necessary to refer the applicant to your branch. We may make further enquiries and you may be asked to provide more information and supporting documents.

NatWest
More than just a bank

Credit is only available to persons aged 18 or over and is subject to status and conditions. Written quotations are available on request from National Westminster Bank Plc, Registered Office: 41 Lathbury, London, EC2P 2BP, or from any NatWest branch. Ref. No. 50114

Terrorism without a cause baffles the FBI

John Carlin
Washington

A terrorist act is, by definition, political, but when a bomb goes off in the United States, or a bomb conspiracy is uncovered, the authorities do not appear to know exactly who is behind it or why.

Initial police reports last Thursday said that two Palestinians arrested on suspicion of plotting to bomb the New York subway belonged to Hamas. Now Federal Bureau of Investigation and White House officials are saying they have no reason to believe the two men are connected to Hamas or any other Middle Eastern group. More perplexingly, US authorities do not yet know the political identity of those responsible for the blast at New York's World Trade Centre four ago, which killed six people and injured more than 1,000.

The trial was expected to begin yesterday in Manhattan of Ramzi Yousef, who is accused of having been the mastermind



Mystery figure: Ramzi Yousef, was due to stand trial yesterday for masterminding the 1993 bomb at the World Trade Centre

behind the World Trade Centre blast. But not only do prosecutors have no idea whether Mr Yousef belongs to any terrorist organisation, they do not even know what nationality he is.

The timing of last week's suspected plot appears so far to be the only clue suggesting Hamas might be targeting New York. Gazi Ibrahim Abu Mezer and Lafi Khalil were arrested in a Brooklyn apartment, allegedly in possession of a batch of pipe bombs, only 24 hours after the suicide bombing in Jerusalem which killed 15 people and for which Hamas did claim responsibility.

The FBI are also exploring the hypothesis that Mr Mezer and Mr Khalil might have intended their alleged bombing plans to coincide with the start of Mr Yousef's trial, indicating that he is also a member of Hamas.

For now, the evidence appears just as strong, however, that Mr Abu Mezer and Mr Khalil were acting on their own. Hamas released a statement at the weekend denying any connection with the two arrested

Palestinians. "Hamas does not consider the American people an enemy and it does not target any of its communities," it said.

According to relatives of Mr Abu Mezer and Mr Khalil, it was laughably off the mark to suggest the two men belonged to Hamas. Their involvement in the Palestinian cause was said to be minimal and neither was particularly religious.

The FBI have not ruled out the possibility that the two, who are in their early twenties, are freelance fanatics in the manner of the US's home-grown Oklahoma bomber, Timothy McVeigh. And the FBI still do not know who planted the bomb in Atlanta during the Olympic Games a year ago, much less what their agenda might have been.

■ New York (Reuters) — Opening arguments in the trial of the accused mastermind of the World Trade Centre bombing were postponed yesterday due to the illness of one juror and the dismissal of an alternate juror. The judge said the opening arguments would begin today.

obituaries / gazette

Sviatoslav Richter

Sviatoslav Richter was a connoisseur's pianist, a supreme lyric poet of the keyboard for whom the piano was an extension of his own body and mind and a means to musical thought that was devoted to the composer in question.

Richter was not a virtuoso in the flamboyant sense of parading his talent to dazzle an audience; instead he required from his listeners an act of intense concentration to match his own incomparable approach to the music. Those who could not summon this were apt to grow restless during his performances, although even they might realise that they were hearing something exceptional.

His interpretations were more a matter of re-creation than reproduction, so that no two performances of the same work were likely to be identical. His repertoire ranged from Bach, played with a clarity of insight into the music's structure and content, to Prokofiev, with whom he had a close association after giving the premiere of the composer's Sixth Sonata in 1942, and later of the Seventh and Ninth Sonatas, the latter of which is dedicated to him. He also made a single conducting appearance in the premiere of Prokofiev's Symphony-Concerto for Cello and Orchestra in 1952, with Mstislav Rostropovich as soloist.

Richter was born at Zhitomir in Ukraine, where his father was a pianist, organist and teacher, and a composer in a small way. The Richters were of combined Polish and German extraction, and soon after the boy's birth they moved to

Odessa, a city where other musical reputations of distinction were fostered, including that of David Oistrakh, and where Igor Oistrakh, Emil Gilels and Nathan Milstein were all born, and later studied. Having absorbed the rudiments of music from his father, Richter was largely self-taught at the piano, except for some lessons from one of his father's pupils, and quickly showed unusual early facility in keyboard technique.

Although never a child prodigy in the accepted sense, Richter began to compose at the age of eight, and reportedly wrote an opera before his teen years. He certainly became adept at playing from orchestral scores, which took him, in 1930, when he was 15, to the Odessa Opera as a *répétiteur*. A few years later, in 1934, he gave his first solo recital, and the experience was so successful and pleasing to him that he abandoned thoughts of conducting to concentrate on a pianistic career. To that end he took himself to the Moscow Conservatoire as a student of the famous teacher Heinrich Neuhaus.

Neuhaus found his new pupil "already a complete artist" with the ability to build a piece "so that it seemed to lie before him like an immense landscape, revealed to the eye at a single glance". This visionary sense of what was comprised in a complete music work pervaded all his later performances, from the time he gave his first Prokofiev premiere while still a student. Shortly before that, his father fell victim to one of the Stalinist purges and his mother sought refuge in Germany,

not to see her son again until she was flown to New York for his debut there nearly 20 years later.

Richter's early appearances were confined by the authorities to the former Soviet Union and the Eastern bloc, whence occasional Western visitors who were fortunate to catch one of his concerts brought back travellers' tales of his exceptional talent. These tales were reinforced by an early recording of Schumann which circulated in the West. Richter was consequently already something of a legend by the time he came himself to the West in 1960, first to Helsinki, Chicago and New York, and the next year to sold-out houses at the Royal Festival Hall in London.

Here his debut programme was typically uncompromising, beginning with a small Haydn sonata, but with the rest entirely devoted to Prokofiev, including the encores. In that year Richter published in Moscow a book of reminiscences of Prokofiev, whose entire piano works he had committed to memory and whom he continued to champion persistently.

Richter also became admired for his playing of Chopin and Schubert, whose duet music he played, with Benjamin Britten as his partner, at the Aldeburgh Festival in 1965. Preferring the ambience of smaller festivals like this, he began the previous year an association with the Fêtes Musicales at Grange de Mésley, near Tours in France.

A fastidious, not to say prickly performer, he was acutely sensitive to the hori-

zontal plane of the keyboard, sometimes requiring it to be checked with a spirit level, especially in a recording studio. He liked to record at night, from about nine o'clock until he was tired, usually around three in the morning, so as to have no distraction from meal breaks. He preferred to make long "takes" of complete movements or sections, going right back to the beginning if something displeased him. We now have a legacy of over 130 CDs by him in the current lists to testify to the power of his intellect and command of artistry.

When he returned to London in 1989 after a 12-year absence, it was noted that he played from music in front of him illuminated by a single lamp he operated himself. Three years later, he took space in the printed programme to explain his reasons, dismissing memory playing as "a childish and vain feat", and saying of the absence of platform lighting, "We are living in an age of voyeurs and nothing is more fatal for music."

He enjoyed chamber-music playing as a pianist with the Borodin Quartet and others, and accompanied distinguished singers including Elisabeth Schwarzkopf and Dietrich Fischer-Dieskau, as well as his own wife, Nina Dorliak, a professor at the Moscow Conservatoire.

Noel Goodwin

Sviatoslav Teofilovich Richter, pianist; born Zhitomir, Ukraine 20 March 1915; married 1946 Nina Dorliak; died Moscow 1 August 1997.



Richter: 'We are living in an age of voyeurs'

Photograph: Camera Press

Sir Hepi te Heuheu

Sir Hepi te Heuheu was the last paramount chief of a Maori tribe and his mana and standing ranked with that of the Maori Queen, Dame Te Atairangi-tea. He could have been in the line of succession to be the Maori King, but his great-grandfather, who was a prime candidate to be the first holder of that position, declined to challenge, instead rallying his Tuharetoa people behind the Waikato chief Potatau Te Wherowhero, establishing regal succession with the 'Tainui' tribe.

One of the most influential figures in Maoridom, which has long been handicapped by jealousies and rivalries between the tribes, Te Heuheu transcended tribal boundaries and was respected by Maoris and *paheha* (Europeans) from all walks of life. Known as 'The Mountain', he was one of the few leaders whose words and dignity held sway throughout Maoridom, commanding respect from fellow tribal aristocrats and militant radicals alike.

He was largely responsible for creating the Maori Congress, a pan-tribal body set up to provide a single voice on Maori issues. In 1984, he acted as a mediator between leaders of an angry march by protesters about Maori land claims and the Governor-General. Te Heuheu won the Governor-General's agreement to meet a deputation of the marchers, but police, concerned about the Governor-General's security, refused to allow the meeting to take place.

Knighted in 1979, Te Heuheu was trusted and honoured by successive governments, even though, unlike some fellow Maori leaders, he declined allegiance to any political party. Maoris saw his independent stance as being in the tradition of his ancestor, Te Heuheu Tukino II, who refused to sign the Treaty of Waitangi, in which Maori chiefs ceded sovereignty to Queen Victoria in 1840.

All New Zealanders witnessed the power of his mana in 1994 when he quietly declined the Prime Minister's invitation to Maori leaders to attend a meeting to launch the so-called "fiscal envelope" policy under which the government proposed to put aside a maximum of NZ\$1bn to settle all Maori claims for the return of, or compensation for, confiscated land. His refusal was seen as a direct rejection of the controversial policy by all Maoris. The following year, he called a meeting to discuss the policy which attracted more than 1,000 Maori representatives from all tribes.

He spent his early life as a bushman near farming family land near Taumarunui in the central North Island. He was only 24 when he assumed the mantle of paramount chief of the Ngati Tuharetoa tribe from his father, his first chiefly task being to lead tribal members to Wellington to welcome home soldiers returning from Second World War service.

He served as chairman of numerous Maori trusts and was a member of the Tongariro National Park Board, the country's first national park, established on land gifted to the nation by his great-grandfather in 1887. An ardent advocate of racial harmony, he deplored the failure of Europeans and Maoris to settle their differences and reportedly said "We must keep talking" on his deathbed.

David Barber

Hepi Hoani te Heuheu: born 1919; Paramount chief, Ngati Tuharetoa tribe 1953-97; KBE 1979; married Pauline Hinopo (née children); died Taupo, New Zealand 31 July 1997.

Bao Dai

Annam was regarded as an exotic backwater in French Indo-China when Bao Dai, who has just died in Paris, ascended the imperial throne in Huế in 1932. Little could he have imagined at the time that within a few years, his country, together with the rest of Vietnam, was to become engulfed in a long series of wars. He was just a boy of 12 who had been summoned home from school in France to perform the many elaborate rites which accompanied the installation of an Emperor of Annam.

On the advice of his French mentors, Bao Dai (the title, meaning "Keeper of Greatness", was given to him on his enthronement) then returned to Paris to complete his education. Apart from the usual academic subjects, he also learnt riding, tennis, how to drive a car and play poker. These pursuits were later to earn him the reputation of being a playboy monarch. Yet the life style to which the French had introduced him differed little from that of other fashionable young men of noble birth during the 1920s and 1930s. Indeed he was proud of being the first Emperor of the Nguyen dynasty which had ruled Annam since 1802, to have a modern upbringing instead of being constricted by the ancient rites imposed by the court mandarins.

In 1932, therefore, when at the age of 19 Bao Dai returned to his native Huế to assume his royal duties, he sought to introduce some changes to court procedure. Likewise he was eager to see some alleviation of French tutelage over his realm. These hopes proved to be largely in vain. The one small victory he did achieve was the right to choose his own wife rather than enter into an arranged marriage. His choice fell on a young Catholic girl from the south of Vietnam, then known

as Cochin-China, who had been educated by French nuns. The fact that she was not Annamese and of royal birth caused shock and consternation in traditional circles. Nevertheless she was duly installed with full court ritual as the Empress Nam Phuong and during the course of the next few years gave birth to two sons and two daughters.

As for Bao Dai, since he could play little more than a ceremonial role in governing Annam, which was still subject to French domination, he devoted himself increasingly to enjoying his private life, which extended to long hunting expeditions in the mountains bordering on Laos and Cambodia. There at least he could escape from the burden of court ritual to a certain degree and, as he stated in his autobiography, *Le Dragon d'Annam* (1980), see something of his people rather than rows of backs bent in full prostration.

The outbreak of war in the Pacific in 1941 brought few changes to life in Annam. Unlike the rest of South East Asia where the Japanese brought an end to colonial rule and interned all Europeans, in Indo-China they concluded an agreement with the French to continue administering the territory on condition that Japan would be allowed to station some troops there. As the war progressed this Japanese presence attracted some Allied bombing raids but not in Annam where there were no targets of any significance. Bao Dai was therefore able to continue his life undisturbed until March 1945.

By then Paris had been liberated and the French in Indo-China realising that they were likely to be branded as traitors for having collaborated with the Japanese, began making preparations to welcome an Allied in-



Bao Dai: 'I would rather live as an ordinary citizen of an independent country than be Emperor of a nation of slaves'

vasion force. This prompted the Japanese to stage a military coup to oust the French administration throughout Indo-China, including Annam. Bao Dai was all the more astonished when on 10 March 1945, a Japanese diplomat paid an official call upon him at the imperial palace in Huế with an invitation for him to proclaim independence for the whole of Vietnam, albeit with a proviso

that the country maintain good relations with Tokyo.

A royal edict to this effect was issued the following day. The Emperor then proceeded to invite prominent dignitaries from all over Vietnam to form its first independent government. But other Vietnamese had different ideas about the country's future.

In 1941, the Communist Party under the leadership of Ho Chi Minh and keeping its identity well concealed had launched a movement calling itself the Viet Minh, appealing to all Vietnamese to struggle for the liberation of their country from both Japanese and French domination. This movement was largely confined to the northern mountains bordering China until March 1945, when the French administration was ousted and its troops disarmed by the Japanese. Seizing this opportunity, Viet Minh guerrillas began moving south and spreading their network of contacts throughout the country.

These moves were scarcely under way when Japan suddenly announced its surrender to the Allied powers on 15 August. This prompted the Viet Minh to stage an uprising in Hanoi and send envoys to Huế to demand that the Emperor abdicate in favour of Ho Chi Minh as President of a new state called the Democratic Republic of Vietnam. In the circumstances, although he knew little about the Viet Minh, or for that matter, Ho Chi Minh, Bao Dai felt he had no option but to comply. Accordingly he issued a statement announcing his abdication on 25 August. It included his most famous words: "I would rather live as an ordinary citizen of an independent country than be Emperor of a nation of slaves."

Afterwards the ex-Emperor, reverting to the name of Vinh

Thuy which he was given at birth, made his way to Hanoi at the invitation of Ho Chi Minh to become a special adviser to the new republic. He was accorded a courteous welcome but found his duties less than onerous until in early 1946 he was assigned to head an official mission to Chungking, then the capital of China under President Chiang Kai-shek.

Realising this was a pretext to get him out of Vietnam, Bao Dai declined to return and retired to live in Hong Kong. There he watched from afar as the French returned to Vietnam, tried to reach an agreement with Ho Chi Minh and, when these efforts failed, embarked on full-scale war. He then began to receive feelers from various Vietnamese politicians opposed to the Viet Minh as well as from the French about heading a new State of Vietnam.

Since Bao Dai had no wish to be seen as a French puppet, these negotiations were very protracted. In June 1948 he agreed to be flown in a French seaplane to a warship anchored in the picturesque Gulf of Ha Long in northern Vietnam to witness the signing of a document whereby France conceded a measure of independence. He then went on to Paris for further discussions which eventually culminated on 8 March 1949 at the Elysée Palace, where a series of agreements were concluded, leading to the establishment of the State of Vietnam headed by Bao Dai, although no longer as an Emperor with special royal privileges.

To symbolise his new authority, he immediately flew back to Vietnam to tour the country from Saigon to Hanoi including of course a visit to Huế, his former imperial capital, where the court had been disbanded. He also presided

over the establishment of a new government with ministers from all over Vietnam as well as holding discussions with French generals who were still battling against the Viet Minh, about setting up a Vietnamese National Army to join in the fight.

Bao Dai then had the satisfaction of seeing the State of Vietnam being accorded diplomatic recognition as an independent country by the Western powers at the end of 1949. A couple of months later, however, Ho Chi Minh, who had been living as a guerrilla in the northern mountains, made a secret visit to Peking and Moscow where he managed to secure Chinese and Soviet recognition for the Democratic Republic of Vietnam. That set the scene for the next stage in the war.

During the next four years, Bao Dai chose to spend most of his time in France where his children were being educated and where too he could keep a closer eye on the developing international situation. When he did visit Vietnam, it was usually to stay at his villa in the mountain resort of Dalat from where he could once more engage in his favourite sport of hunting.

Meanwhile, with Chinese military aid the Viet Minh were building up their strength in the north of the country. The climax came in May 1954 when after a 57-day siege the Viet Minh succeeded in overwhelming the French garrison at Dien Bien Phu. Fortunately this occurred on the eve of the opening of a major international conference in Geneva on the future of Indo-China at which Bao Dai played only a backstage role. It resulted amongst other things in an agreement for France to withdraw totally from Indo-China and for Vietnam to be temporarily partitioned between the State of Vietnam in the

south and the Democratic Republic of Vietnam in the north.

At the same time Bao Dai was persuaded, largely as a result of American pressure behind the scenes that the best person to head a strongly anti-Communist government in Saigon was Ngo Dinh Diem, a former mandarin from the court in Huế. That did not endear him to the former Emperor. The feeling was mutual. In 1955, Ngo Dinh Diem staged a referendum throughout the State of Vietnam to decide whether it should become a republic with himself as President. With Bao Dai absent in France and refusing to campaign, the result was unsurprisingly in the affirmative.

That marked the end of Bao Dai's official career. Since 1955, although he undoubtedly followed developments in Vietnam closely, he rarely commented on them. Nor did he live as a rich foreign exile. The villa which he occupied in Cannes during the early 1950s was the property of the State of Vietnam. Instead, until his death, he lived in a modest flat in Paris on a French state pension with the occasional donation from Vietnamese living abroad to finance a few foreign trips.

Some members of the extended Annamese royal family were hoping that he would emulate the example of King Sihanouk of Cambodia and try to regain his throne. Bao Dai was however a very different character and his direct heirs appear to be content with their life in Western Europe.

Judy Stowe

Nguyen Vinh Thuy: born Huế, Annam 22 October 1913; succeeded 1925 as Emperor of Annam, taking the title Bao Dai, abdicated 1945; married 1933 Marie-Thérèse Nguyen Hien Hao (died 1963; two sons, two daughters); died Paris 31 July 1997.

Jeanne Calment

She was born a year before the Battle of the Little Bighorn and lived to be a star (perhaps unwittingly) of rap music and the Internet. The death yesterday in Arles of Jeanne Calment, at the age of 122, deprived humanity of its oldest known member.

She had lived in Arles all her life and had met, as a young woman, an obscure painter called Vincent Van Gogh (before he lost his ear). He was, she recalled in one of her many media interviews of recent years, "as ugly as a house" and "he stank". Calment remained mentally

acute, even playful, almost to the end. "I only ever had one wrinkle and I'm sitting on it," she once said. The one thing she never seemed able to explain satisfactorily was why she lived so long, outliving her husband by more than half a century and even, tragically, her only grandson by 34 years. She put her longevity down to a large consumption of olive oil, but that explanation never seemed to satisfy her increasingly large number of media admirers. It was only in 1995, at the age of 120, that she was persuaded by

her doctor to give up smoking and her Sunday glass of port. In recent years Calment became a public property to a degree that was disturbing, although it never seemed to worry her. "One hundred and twenty-two years? Can anyone beat that?" she asked a reporter from *Le Figaro* at her last birthday in February.

Last year she was made the star of a four-track compact disc, *Time's Mistress*, in which she told the story of her life over a musical background ranging from rap to farandole. She was

shown (allegedly) how to work a computer and helped to set up her own website on the Internet. It was these unlikely events which prompted a regional court to place her under its guardianship to protect her "from the problems that fame can bring".

Jeanne Calment spent the first 115 or so years of her life in almost complete obscurity and, by her own account, contentment. She was born into a well-off family in Arles on 21 February 1875. She was married at the age of 21 to a cousin, Fer-

nand Calment. They had one daughter and a grandson, who died in a road accident in 1963.

Until 1985 - when she was 110 - Calment lived alone, looking after herself, in her apartment in the centre of Arles. In 1965, a local lawyer purchased her home (she was then 90) on the understanding that it would remain hers for life. The price was 2,500 francs a month until she died. The lawyer himself died two years ago, aged 77.

She was recognised in 1993 by the *Guinness Book of Records* as the oldest member of the hu-

man race who could properly authenticate her birthdate. In October 1995, she became the oldest person ever recorded.

At her last birthday in February, Jeanne Calment, by then blind and almost deaf, was asked if she wanted to go on until the end of the century. "No, I've had enough," she replied.

John Lichfield

Jeanne Louise Calment: born Arles, France 21 February 1875; married 1896 Fernand Calment (died 1942; one daughter deceased); died Arles 4 August 1997.



... and in the 1890s

BIRTHS

COOLE-PANZA: On 1 August in California to Sara and John a daughter, Isabelle Melia. *Deo gratias.*

DEATHS

MURIE Alex Andrew, CBE QPM DL, on 1 August, aged 87. Former Chief Constable of Durham, husband of Helen de Parco (deceased). Family funeral. Memorial service will be arranged later.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries, etc.) should be sent in writing to

Births, Marriages & Deaths

the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DU, telephone 01753 20311 (24-hour answering machine 01753 20312) or faxed to 01753 20310, and are charged at £6.50 a line (VAT extra). OTHER: Gazette announcements must be submitted in writing (or faxed) and are charged at £10 a line (VAT extra). Please include a daytime telephone number.

Birthdays

Professor Neil Armstrong, the first man on the Moon, 67; Dr Duane Arnold, Principal, St Chad's College, Durham, 44; Mr Billy Bingham, football manager, 66; Sir Michael Drury, Emeritus Professor of General Practice, Birmingham University 71; Miss Barbara Flynn, actress, 49; Miss Joan Hickson, actress, 91; Lord Findlip, chairman, Christie's International, 57; Mr Alan Howard, actor, 60; Field Marshal Sir Peter Lloyd, Constable of the Tower of London, 62; Mr Richard Jewson, former chairman, Meyer International, 53;

Sir Michael Kerry, former Procurator General, 74; Sir Bert Millichip, Life Vice-President, the Football Association, 83; Mr John Monks, general secretary, TUC, 52; Mr Turloch O'Donnell, former Lord of Appeal, Northern Ireland, 73; Mr Rodney Pattison, yachtsman, 54; Mr Keith Pearson, Headmaster, George Heriot's School, Edinburgh, 56; Sir Eric Fountain, chairman, James Beattie, 64; The Hon Miriam Roth, editor, sociologist and entomologist, 89; Sir Nicholas Scott, former MP, 64; Lord Sefton of Garston, former chairman, North West Economic Planning Council, 82; Mr Peter

Smith, chairman, Coopers and Lybrand, 51; Mr John Speller MP, Parliamentary Under-Secretary, Defence, 50; Mr Jimmy Webb, songwriter, 51; Mr John Whitaker, showjumper, 42.

Anniversaries

Births: Alexander William Kinglake, historian and traveller, 1809; Charles Louis Ambrose Thomas, composer, 1811; Edward John Eyre, administrator and explorer of Australia, 1815; Henri-René Albert-Guy de Maupassant, author, 1850; Conrad Potter Aiken, novelist and poet,

1889; Harold Holt, Australian prime minister, 1908; Robert Taylor (Spangler Arlington Brugh), actor, 1911; Deather Louis III, King of France, 882; Thomas Newcomen, inventor and engineer, 1729; James Gibbs, architect, 1724; Lord Frederick North, second Earl of Guilford, statesman, 1792; Alexis-Benoit Seyer, master cook and writer, 1858; William Henry Giles Kingston, author of boys' books, 1859; Thomas Henry Wyatt, architect, 1880; Friedrich Engels, political writer, 1859; Philip William "Phil" May, caricaturist, 1903; George Butterworth, composer, 1916; Catherine "Skitties" Walters,

courtesan, 1920; Ella Shields (Buscher), music-hall artiste and male impersonator, 1952; Marilyn Monroe (Norma Jean Mortenson), film actress, 1962; Richard Burton (Richard Walter Jenkins), actor, 1984. On this day: Sir William Wallace, leader of the Scots, was captured by the English, 1305; polygamy was abolished in Turkey, 1924; the British transatlantic airmail service was started, 1939; the musical *Salad Days* was first produced, London 1954; the European Monetary Agreement was signed, 1955. Today is the Feast Day of St Abel, Saints Addai and Mari, St Afra and St Nonna.

Lectures

National Gallery: Jacqueline Assail, "Babies (1) Rubens's The Judgement of Paris", 1pm. Victoria and Albert Museum: Anna Contadini, "The Art of Calligraphy in the Decorative Arts of the Islamic World", 2.30pm. British Museum: Barbara Brend, "Islamic Architecture in Cairo", 1.15pm.

Changing of the Guard The King's Troop Royal Horse Artillery carries the Queen's Life Guard at Horse Guards, (Leave for the Guard at The Royal Regiment of Wales across the Guard's Guard at Buckingham Palace, 11.30am, last provided by the Irish Guards.

High stakes in Korea, and rewards to match

The Hermit Kingdom is the convenient cliché for North Korea, the last remaining country in the world where undiluted Stalinism still reigns. It implies a distant, mysterious place that hides itself away from the world – and perhaps isn't of much consequence for the rest of the world. It may be a secret and secretive place, but the crumbling of this Cold War enclave is of enormous importance.

We know a little – a very little – about what is going on in North Korea. We know that there is famine, because successive harvests have failed. Two years of floods were followed by a year of drought. Doctrinaire mismanagement had already created an economic disaster; now there is a humanitarian catastrophe as well. People are starving to death, probably in large numbers. The only reason that this has not aroused more interest is that television cameras are not thick on the ground in North Korea. It is a reclusive, authoritarian state, and so the scale of the crisis is hard to judge. Western journalists are not, officially, allowed in, though they do sneak in from time to time.

We also know that, after the death of the long-time dictator Kim Il-Sung, there is political instability. The transition to Kim Jong-Il, his son, is slowly proceeding, but in the interim there are indications that all is not well. Instability has once more raised fears of conflict on the peninsula, as a dying regime lashes out. There are two million men under arms on either side of the demilitarised zone that divides North and South; it is a place where war has been an ever-present possibility for four decades.

The good news is that talks start today which could lead to a peace treaty that would at last end the enmity between the two Koreas, and replace the fragile ceasefire that has existed since 1953. The bad news is that we know very little about the intentions and capabilities of North Korea, a state more isolated than any other in the world.

We have more at stake in this than you might imagine. British soldiers fought and died for Korea 40 years ago; if there were to be another war there, then it is more than likely that Britain would again offer troops. The reason is simple. South Korea, the capitalist and democratic part of the peninsula, is of critical importance for the West as a trading partner, investor, and strategic ally in the region. We have a lot tied up in Korea.

The fact that Korea is not understood, not known in Britain should be a source of regret. It is 200 years since the first contacts between Britain and the Koreans, and both sides are celebrating it this year through cultural events and exhibitions. These have

made little public impact, partly because people think of the Koreans as a rather strange and distant nation, very alien from our own culture. In fact, the Koreans are a rather jolly bunch, and it is a shame that more people do not know that. Perhaps most importantly, we do a lot of business with South Korea: British firms have recorded huge export growth there over the past few years, and businesses like Hyundai, Daewoo, Samsung and LG (Lucky Goldstar) have brought jobs and investment to every part of Britain.

Historically, it has been a reclusive nation, afraid that outside influence would destroy it. It has had to learn, over the centuries, to survive, caught between China and Japan. Occupation by Japan was ended only by the war, which was immediately followed by the civil war that left it divided into warring camps. Rapid growth in the South has transformed it into one of the world's largest and richest economies; stagnation in the North has turned it into one of the world's worst basket cases. The resolution of this strange national dialectic could lead to war; it could, at last, heal the division of the peninsula.



ONE CANADA SQUARE CANARY WHARF LONDON E14 5DL
TELEPHONE 0171-293 2000 / 0171-345 2000 FAX 0171-293 3405 / 0171-345 2435

Conflict would threaten not just South Korea, but the fragile peace in East Asia. It would draw in America, China, Japan, and perhaps Russia as well. North Korea may be an economic disaster but it is well armed, and probably has access to at least one nuclear device as well as chemical and biological weapons.

But a lasting settlement in the Korean peninsula also has implications. It may well mean that South Korea draws yet closer to China, and perhaps further away from the US, which has had troops in the South since 1953. It could, eventually, lead to the re-emergence of a united Korea, something that would have implications for Asia similar to those of a united Germany for Europe – a redrawing of the Cold War map.

That is years away. What we can hope for, at the moment, is an easing of tensions, and some help for those in North Korea who have suffered under one of the world's harshest tyrannies. Right now, Britain's position ought to be very clear: we have a powerful self-interest, as well as a humanitarian interest, in ensuring that the Korean peninsula remains relatively stable, while moving towards a peaceful resolution of the half-century division that has so badly hurt the population of the North. We cannot and should not do this by force of arms, or indeed any force; but we can do it by showing that

we are willing and able to help the population of the North, and that its interest lies in opening up to that aid, both culturally and economically. Long task, you might say – but very high reward, if we get it right.

97 reasons to be cheerful

The Independent has long kept a certain distance in reporting the trivia of royal life, whether it be the shooting skill of the heir to the throne, or the morals of one or another of Her Majesty's children or children-in-law. All these are, in the end, passing fancies, which, though they are of enormous significance in the lives of the people involved, make little or no difference to you, or to us.

But it is hard to let pass without any comment at all the arrival of The Queen Mother at the fine age of 97. Living to such an age as a cheerfully fulfilled human being – nay, merely *compos mentis* – is a wonderful achievement, to be celebrated regardless of social status. Yesterday died, in France, the oldest person in the world, aged past 120. The rest of us can only look on in envy, and admire the attainment of such a long and rich life.

LETTERS TO THE EDITOR

Stress did not cause Gulf war illnesses

Sir: Gulf war illnesses, of which there are many, have not been blamed on "everything from flea collars to sheep dip", as Elaine Showalter asserts ("Gulf War Syndrome: all in the mind's eye", 2 August). The chemicals used in such products have, however, been implicated in some of the many illnesses reported by Gulf war service and civilian personnel.

Governments and their scientific advisors worldwide have often accidentally or deliberately suppressed information or misled victims and their families about occupational disease recognition, diagnosis and exposure facts. This has been particularly the case for occupational hazards faced by military personnel. (The evidence we have already about the Gulf war indicates what can at best be described as past government "errors" about what chemicals military personnel used or were exposed to, whether they were monitored effectively and appropriately and for how long.)

There is plenty of evidence showing that a range of organophosphates cause neurological damage. There is some evidence too that these OPs can cause both neuropsychological and neuropsychiatric damage, sometimes at low levels. There is good evidence that certain OPs may be more damaging if mixed together or with some prophylactic drugs than on their own.

In occupational health, one sees a jerky official response to any report of illnesses due to chemical exposures has sometimes been that workers are "stressed" or hysterical and that the problem is psychological and not physical; hence the cases cannot be the fault of employers or governments who regulate such chemicals. It is strange to see this thesis now emerging as a catch-all explanation for many of the illnesses attributed to Gulf war veterans.

Some of the Gulf war veterans say well be experiencing such stress. To suggest that this explains all symptoms of all or most of the veterans ignores much evidence from occupational hygiene, toxicology, occupational health and safety and epidemiology. It may well, however, prove an easy and neat excuse for those governments wanting to avoid explaining what did happen in the Gulf and why many people serving there reported symptoms consistent with chemical poisonings.



Whilst the Police Complaints Authority does provide an independent element, the actual investigation of complaints by police officers, often from the same force, can no longer claim widespread support. The increasing numbers of people who ignore the complaints system in favour of taking their cases through the civil courts is evidence of this dissatisfaction.

Civil actions against the police are preferred because the complainant is a real party to the process, legal aid is available to pay for representation by lawyers, the police are under a duty to disclose all the evidence and documents, and the issues are raised in a public trial where officers are asked to justify their decisions. What is also important is that in many cases the issues of fact and the awards of damages have to be resolved by juries. Of course civil actions increasingly often lead to payments of damages whereas complaints only lead to officers being disciplined.

Civil actions against the police do not of course provide an adequate remedy for those who are not poor enough to qualify for legal aid nor for those who were "only" subject to a minor assault or who were "only" unlawfully detained for a short period. Civil action is not therefore a substitute for a proper complaints system. Nevertheless any new system, apart from being independent, would have to ensure a full role for the complainant, proper disclosure and be open and transparent. We have a long way to go before the current complaints system meets these principles but the first steps need to be taken now.

Tough action on animal cruelty

Sir: I fail to understand how postponing the revocation of Huntingdon Life Sciences' licence until November ("Huntingdon may lose its licence", 25 July) solves the problem of the large number of animals on site.

The cruelty which has been exposed at Huntingdon Life Sciences is not an isolated incident but, as has been proved time and time again by undercover investigations carried out by animal rights groups, is common to very many, if not all, animal testing laboratories. The spectacle of Huntingdon's more prestigious clients falling over themselves to dissociate themselves from this latest and very public disclosure is nauseous to say the least. Likewise that of the Home Office, whose behaviour prior to the exposure is yet more evidence against the validity of its inspection system.

To scold Huntingdon is not sufficient, even such public scolding as has been taking place. In order that we can begin to have faith in this government's proposed review of the Animals (SR) Act (at present little more than a vivisectionists' charter), Huntingdon Life Sciences' licence must be revoked immediately and permanently, all those implicated in the wrongdoings, including senior staff and Home Office officials, must be prosecuted and Dr David

Christopher, Huntingdon's research director, must be forced to resign from the Animal Procedures Committee.

ROSALIND FISHER
London SE15

The best measure of inflation

Sir: Your article "Inflation overstated" finding could ease rates pressure" (Business and City, 29 July) misrepresents our position.

The Boskin Report raised new issues; it simply gave a select range of issues greater prominence. Statisticians worldwide, and at ONS, have been studying these and other complex problems associated with consumer price indices for many years. Our view, on past work, is that the RPI at present remains the most accurate single measure of consumer inflation in the UK. It is produced using the best available methodology following advice of an independent RPI advisory committee.

What we are confident about is that many of the issues raised in the Boskin Report for the US do not have the same force in the UK. Nevertheless, along with many other countries, we are undertaking additional research and analysis to investigate further the issues raised.

The RPI is extremely important and it is essential that our research work is shared with international colleagues and with

experts in this country so that we can assure ourselves that it is well based. The ONS paper referred to in your article was a discussion document containing preliminary views from one statistician on some aspects of the work programme.

When this work is complete and has been tested against parallel international research we will be in a better position to form a view about whether or not the RPI is biased. We would consult widely on such an important issue.

TIM HOLT
Director, Registrar General and Head of the Government Statistical Service Office for National Statistics London SW1

Exchanging old rituals for new

Sir: Given time, clergy devote much care and thought in constructing funeral services but the task becomes more difficult as numbers increase (Letters, 1 August). The more the numbers of requests for non-religious funerals multiply, the more difficult it will become for their conductors, too, to avoid falling back upon routines.

Clergy generally have a regular two or three funerals to conduct each week, round the year (just do the arithmetic). Remaining fresh under such a sustained demand and providing continuing support after the funeral (where

it is asked for) as the numbers accumulate, stretches personal resources. If demands upon them increase, non-religious conductors, too, will scarcely avoid a similar trial.

Clergy spend much time before a funeral sounding out what rituals mourners in all their variety have already in mind and are going to be relying on, so as to be able to supply them. The more common non-religious funerals should become, the more one would expect to see patterns of words and actions emerging – fresh, maybe, conceivably totally non-traditional – but these would, in effect, be new rituals. Indeed, anthologies of "non-ritualistic" ideas for funerals are already published (and very helpful some of them are) but what are these but new rituals in the process of formation?

The Rev MICHAEL ATKINSON
Ilkley, West Yorkshire

Commercial radio at the BBC

Sir: While Radio 3's as well as Radio 4's innovations are under the spotlight, may I ask why practically every item on the "On Air" programme nowadays has to be preceded or followed by a BBC commercial?

Commercial broadcasters of classical music (or of what passes for it these days) at least refrain from such continuous, blatant and, if one regular listener's reaction is anything to go by, ultimately self-defeating, self-advertisement.

WALTER GREY
London N3

Valuable role of Scottish Ballet

Sir: I would like to express my personal support for the Scottish Ballet and do most fervently hope it will be allowed to have a strong future in Scotland (Letters, 2 August).

When I joined the Music Department of the Arts Council of Great Britain (as it then was) in 1970, almost my first task as officer responsible for dance was to make flying visits to Scotland with my then Chair of Dance, Peter Williams, to assist in an investigation by the Scottish Arts Council (SAC) into the somewhat precarious future of Scottish Ballet, which at SAC's invitation had moved permanently to Scotland in 1969, but was encountering financial problems.

After some months of deliberations, we were delighted when SAC endorsed the company's future, recognising the value of the company's service, not only in major Scottish theatres but throughout the Highlands and Islands, together with an approach to outreach work which was almost unique in its day.

Throughout my service as Dance Director (1979-89) for ACGB this company was often held up as a good role model for its very special service to Scotland while at the same time having the talent to present the major "classics" at international standard feel certain it would be a real deprivation for dance lovers in Scotland if the company were allowed to close.

As a member of the board of Birmingham Royal Ballet I was very pleased indeed to know that our production of *La Fille Mal Gardée* has been offered on loan to Scottish Ballet for presentation this Christmas if the company is enabled to survive. Can the Scottish Arts Council now show similar generosity of spirit in its attitude to the current negotiations and find a positive solution to the crisis?

JANE NICHOLAS
London W6

Renewable energy for the Dome

Sir: I would have thought a better proposition than to clad the Millennium Dome with PVC (Letters, 4 August) would be to use a combination of aluminium and photo-voltaic cells. The former is fully recyclable and the latter fully reusable: important considerations for a structure which is likely to have a short lifetime.

The use of photo-voltaic cells in a substantial way would also enable the exhibition to have a display about renewable energy, which ought to be high on the list of priorities, given the rapidly growing importance of developing a sustainable society.

CHOSMAN
Aberdeen

British Museum: clear the car park

Sir: I am delighted that the eyesore of car parking is to be removed from the courtyard at Somerset House (report, 28 July).

Now, can we achieve the same at the British Museum? It is a disgrace that cars are allowed to clog the entrance and the space around this great building.

PHILIP STOTT
Gravesend, Kent

Post letters to Letters to the Editor, and include a daytime telephone number. Fax: 0171-293 2036; e-mail: letters@independent.co.uk. E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity. We regret we are unable to acknowledge unpublished letters.

analysis

The battle not to be left behind

Despite a shared political heritage, Tony Blair's New Labour government is very different from Lionel Jospin's new Socialist one. John Lichfield asks which is most likely to deliver on its promises

President Chirac loves his little jokes, even in defeat. When Tony Blair went to the Elysée palace for lunch in June, the Gaullist President greeted him warmly and congratulated him on his first month in office. But he added: "You must go further, if you are going to keep up with us Socialists..."

It was a pleasant little joke, which worked on three levels. Mr Chirac was mocking himself, because his centre-right coalition had lost the parliamentary election two weeks before. Second, he was teasing Mr Blair, for having seamlessly and cheerfully abandoned the use of the word socialist. Third, he was suggesting that the simultaneous success of the left in London and Paris, for the first time in half a century, might be an invitation to cross-channel competition, rather than brotherly understanding.

On that same day, the newly-installed Socialist Prime Minister, Lionel Jospin, could find no time to see the visiting Labour Prime Minister. There was a flurry of speculation, in both the British and French press, that the two men had conceived an instant dislike for one another. The speculation (including some by the present writer) has since been dismissed by French and British officials as misplaced: Jospin and Blair, they say, get on perfectly well. Although no firm plans have yet been made, the two prime ministers hope to meet informally during their holidays this month, close to Mr Jospin's political base south of Toulouse.

What remains certain is that, whether they like it or not, whether they like each other or not, Jospin and Blair are rivals. They are rivals for the moral and actual leadership of the European centre-left; but also in a perverse way, they are domestic rivals.

If Jospin succeeds, with a more interventionist, more demand-oriented programme than New Labour, the success will be thrown in Blair's face by Labour dissidents and Guardian leaders. If Blair succeeds while preserving the market orthodoxies of the Eighties and Nineties, never

quite accepted in France, his success will be seized by the French right (is already being seized) as a cudgel with which to beat "Jospinisme".

In one sense, this is inevitable. The two men are trying to answer the same question: what are left-of-centre politics for in a post-socialist world? In another sense, comparison is unfair, or misleading: the two men are sitting examinations with different questions. Britain and France are neighbouring but dissimilar countries which are at different stages in their political and economic cycles.

After the achievements, but also the excesses of 18 years of dogmatic Conservatism, Tony Blair inherited something very rare in politics: a booming economy coupled with a popular thirst for change. Unemployment is low, growth irrepressible. So much so that his chief problem is to prevent heated domestic demand from boiling up into inflation. He has a gargantuan majority and no organised opposition.

Lionel Jospin inherits a series of botched semi-reforms, stretching back over six years and three governments. The domestic economy is faltering; domestic demand is falling; unemployment is still rising (up to 12.6 per cent in June). He has to cohabit with President Chirac, who can pick his opportunities to trip him up. He has a slender parliamentary majority, which includes Communists, Greens and radical socialists, who have very different ideas to his own (and to one another).

The first weeks in office – 100 days for Blair, 60 for Jospin – seem to have produced a clear victory for Blairism. The Prime Minister's popularity has increased; he has made few mistakes; the Government has remained disciplined and, publicly at least, united. Gordon Brown's Budget was a media and public relations triumph (even if the markets still have doubts).

Jospin, by contrast, got himself into a series of muddles over the European single currency, the Renault closure in Belgium and immigration. His ministers contradicted one another publicly. His popularity has declined (but not much).

Partly this can be explained functionally. Blair knew that he was going to win the election: he



had several years to prepare for office. Labour was careful to promise nothing it could not deliver. Jospin, like everyone else, thought that he was going to lose the election, which in any case came sooner than expected. The French Socialist programme was an attempt to limit the electoral damage: no one expected to have to implement it. Up to 700,000 jobs would be created through state spending, half in state jobs. Weekly working hours would be reduced from 39 to 35 with no loss of pay. There would be no austerity programme. No tax rises. France would still meet the budget criteria for joining Economic and Monetary

Union (EMU). Mr Jospin, like an escapist, was throwing away the key to his chains, adding a final promise: to keep all his promises.

But, two months into office, Jospin's record is far from disastrous or discreditable. The shilly-shallying over whether France would make the EMU guideline of 3 per cent of GNP budget deficit this year seemed like incompetence. Some of the confusion was damaging. But look at the overall effect. It has prepared market opinion to regard a near-miss as a triumph. The stop-gap budget proposals announced last month were a fudge, if you like, but also a brilliant exercise in playing for time. The one-off taxes on the largest and most profitable businesses are broader than Gordon Brown's windfall tax on privatised utilities but little different in principle. For the time being, Jospin, with a very poor hand, has simultaneously appeased the Germans (just), the markets, the Communists, and French public opinion.

Jospin is not as immediately likable as Blair. He may not (yet) have thought so deeply about the future of the left. But he should not be dismissed lightly. He may have the one quality vital to all successful politicians: luck. Jospin promised that his programme would rekindle growth; in

truth, growth, which is nothing of his making, may rescue Jospin.

Despite the rise in unemployment in June, the outlook for the French economy is now the best it has been in five years. The franc has sunk by 20 per cent against the dollar and the pound in eight months. Inflation remains scarcely perceptible. Interest rates are low. Exports, already booming for months, have now become fantastically good. According to a semi-official projection, the French economy should grow at an annual rate of 3 per cent in the second half of this year, the same as Britain's.

It may take a while for domestic demand to respond, and unemployment to fall. But any sustained increase in growth will ease Mr Jospin's task in squaring the circle of his election pledges over the next couple of years.

And here is the rub. A short-term recovery of growth would be welcome but it would do nothing to solve the longer-term ills of the French economy. It may allow Mr Jospin to muddle through his five years without achieving much. On the other hand, it could give him an opportunity to be as creative as Tony Blair; in some ways more creative.

Unlike Mr Blair and President Clinton, Mr Jospin does not follow a Thatcher or a Reagan. The US and British state sectors have shrunk in the last 20 years; in France the state has grown. One in four French people who have a job work, in some way, for the government. This may not, in itself, be as important as the corporatist attitudes in France; the aversion to risk; the lack of productive investment. The export boom is starting but it depends mostly on traditional luxury goods, subsidised farm produce, weaponry and machinery from state-controlled, or state-influenced, industries. Exports are exports are exports.

But France, unlike, say Italy, remains poor at creating the kind of small or medium hi-tech and service companies which are rich in new jobs; hence, in part, the stubbornly high levels of unemployment.

The philosophical underpinning to Blairism (but also to the successful social-democratic models in the Netherlands or Denmark) is that you must create wealth before you spend it. The creation of wealth is seen as a matter for individuals and businesses; the spending of wealth, a

matter for individuals but also, more than Thatcherism would accept, the state. Blairism, if it delivers its promises, believes in the private creation of wealth but public investment in health and education and training. It believes in public service, although not much in public ownership.

The relative clarity of this vision is possible because Thatcherism went before. France has not been through this revolution, a revolution of attitudes as much as structures. France – and not just the French left – is still persuaded that the state can create wealth or should be part of that process, hence the Socialists' promise to create more state employment and tinker with working hours. There are superficial similarities between Gordon Brown's welfare-to-work programme and Mr Jospin's new-jobs-for-youth. But the British programme is about training; the French programme about creating from thin air new state, or state-subsidised jobs.

In truth, Jospin and some of his ministers do sometimes think more like Blair and his team than the conventional wisdom allows. Jospin in his first speech to parliament made a distinction between public ownership and public service. It now seems inevitable that, partly for budgetary reasons, some degree of privatisation will continue, whatever his Communist junior partners in government might think. Jospin also gave notice that welfare for the middle classes may have to come to an end (aka the abolition of university grants in Britain). The quarter-completed reform of the public health service may be abandoned in favour of something much more radical, perhaps more private insurance for the relatively well-off. Again budgetary need could lead the way. At the same time, the older thinking persists. The plan to reduce working hours is dear to the Communists, and some Socialists, and will be pursued.

Mr Jospin, in other words, is constructing Jospinisme as he goes along. If he is lucky with the economy over the next couple of years, he could re-set his own examination paper and attempt a more ambitious reform. Will he? It is not to be excluded. But he does not have the political freedom of action of New Labour. The similarities between Jospin and Blair may be greater than commentators imagine. The greatest difference, however, is in the countries they have to govern, and that is a big difference.

Blair was careful to promise nothing he could not deliver. Jospin thought he was going to lose the election: he never expected to have to implement the French Socialist programme.

Photograph: Reuters

6 The two men are both trying to say what left-of-centre politics are for in a post-socialist world

But, two months into office, Jospin's record is far from disastrous or discreditable. The shilly-shallying over whether France would make the EMU guideline of 3 per cent of GNP budget deficit this year seemed like incompetence. Some of the confusion was damaging. But look at the overall effect. It has prepared market opinion to regard a near-miss as a triumph. The stop-gap budget proposals announced last month were a fudge, if you like, but also a brilliant exercise in playing for time. The one-off taxes on the largest and most profitable businesses are broader than Gordon Brown's windfall tax on privatised utilities but little different in principle. For the time being, Jospin, with a very poor hand, has simultaneously appeased the Germans (just), the markets, the Communists, and French public opinion.

Jospin is not as immediately likable as Blair. He may not (yet) have thought so deeply about the future of the left. But he should not be dismissed lightly. He may have the one quality vital to all successful politicians: luck. Jospin promised that his programme would rekindle growth; in

truth, growth, which is nothing of his making, may rescue Jospin.

Despite the rise in unemployment in June, the outlook for the French economy is now the best it has been in five years. The franc has sunk by 20 per cent against the dollar and the pound in eight months. Inflation remains scarcely perceptible. Interest rates are low. Exports, already booming for months, have now become fantastically good. According to a semi-official projection, the French economy should grow at an annual rate of 3 per cent in the second half of this year, the same as Britain's.

It may take a while for domestic demand to respond, and unemployment to fall. But any sustained increase in growth will ease Mr Jospin's task in squaring the circle of his election pledges over the next couple of years.

And here is the rub. A short-term recovery of growth would be welcome but it would do nothing to solve the longer-term ills of the French economy. It may allow Mr Jospin to muddle through his five years without achieving much. On the other hand, it could give him an opportunity to be as creative as Tony Blair; in some ways more creative.

Unlike Mr Blair and President Clinton, Mr Jospin does not follow a Thatcher or a Reagan. The US and British state sectors have shrunk in the last 20 years; in France the state has grown. One in four French people who have a job work, in some way, for the government. This may not, in itself, be as important as the corporatist attitudes in France; the aversion to risk; the lack of productive investment. The export boom is starting but it depends mostly on traditional luxury goods, subsidised farm produce, weaponry and machinery from state-controlled, or state-influenced, industries. Exports are exports are exports.

But France, unlike, say Italy, remains poor at creating the kind of small or medium hi-tech and service companies which are rich in new jobs; hence, in part, the stubbornly high levels of unemployment.

The philosophical underpinning to Blairism (but also to the successful social-democratic models in the Netherlands or Denmark) is that you must create wealth before you spend it. The creation of wealth is seen as a matter for individuals and businesses; the spending of wealth, a

matter for individuals but also, more than Thatcherism would accept, the state. Blairism, if it delivers its promises, believes in the private creation of wealth but public investment in health and education and training. It believes in public service, although not much in public ownership.

The relative clarity of this vision is possible because Thatcherism went before. France has not been through this revolution, a revolution of attitudes as much as structures. France – and not just the French left – is still persuaded that the state can create wealth or should be part of that process, hence the Socialists' promise to create more state employment and tinker with working hours. There are superficial similarities between Gordon Brown's welfare-to-work programme and Mr Jospin's new-jobs-for-youth. But the British programme is about training; the French programme about creating from thin air new state, or state-subsidised jobs.

In truth, Jospin and some of his ministers do sometimes think more like Blair and his team than the conventional wisdom allows. Jospin in his first speech to parliament made a distinction between public ownership and public service. It now seems inevitable that, partly for budgetary reasons, some degree of privatisation will continue, whatever his Communist junior partners in government might think. Jospin also gave notice that welfare for the middle classes may have to come to an end (aka the abolition of university grants in Britain). The quarter-completed reform of the public health service may be abandoned in favour of something much more radical, perhaps more private insurance for the relatively well-off. Again budgetary need could lead the way. At the same time, the older thinking persists. The plan to reduce working hours is dear to the Communists, and some Socialists, and will be pursued.

Mr Jospin, in other words, is constructing Jospinisme as he goes along. If he is lucky with the economy over the next couple of years, he could re-set his own examination paper and attempt a more ambitious reform. Will he? It is not to be excluded. But he does not have the political freedom of action of New Labour. The similarities between Jospin and Blair may be greater than commentators imagine. The greatest difference, however, is in the countries they have to govern, and that is a big difference.

Blair was careful to promise nothing he could not deliver. Jospin thought he was going to lose the election: he never expected to have to implement the French Socialist programme.

Blair was careful to promise nothing he could not deliver. Jospin thought he was going to lose the election: he never expected to have to implement the French Socialist programme.

Blair was careful to promise nothing he could not deliver. Jospin thought he was going to lose the election: he never expected to have to implement the French Socialist programme.

Blair was careful to promise nothing he could not deliver. Jospin thought he was going to lose the election: he never expected to have to implement the French Socialist programme.

Blair was careful to promise nothing he could not deliver. Jospin thought he was going to lose the election: he never expected to have to implement the French Socialist programme.

Blair was careful to promise nothing he could not deliver. Jospin thought he was going to lose the election: he never expected to have to implement the French Socialist programme.

£100,000 OF LIFE INSURANCE FROM £8.73 A MONTH*

It only costs a little to leave them a lot

A Zurich Municipal policy for a married couple, aged 30 and 35, could pay a £100,000 benefit on the death of either partner. Call us now on 0800 147 147 to be very glad to hear from us.

LIFE INSURANCE 0800 147 147

Open: 9am to 5pm, 7 days a week. For your security, all records and payments are held securely.

PLEASE QUOTE REF: LIN0508

ZURICH MUNICIPAL
Focusing on the Public Sector

*Premium of £8.73 includes public sector discount. Example given is a 10-year level term assurance policy for a married, non-smoking, 30-year-old female local authority employee. The premium quoted may be varied according to individual circumstances and is subject to acceptance at ordinary rates. Premiums are dependent on a number of factors and in particular are higher for males, smokers and older ages.

Zurich Municipal is a trading name of Zurich Life Assurance Company Limited, which is regulated by the Financial Services Authority, for life assurance and investment business and is a member of the Association of British Insurers. Zurich Municipal is a subsidiary of Zurich Insurance plc, which is authorised to provide financial services in the UK. Zurich Life Assurance Company Ltd is registered in England, No. 626189. Registered Office: Zurich House, Sandgate Road, Dartmouth, Hampshire PO1 1DU.

Offer also applies to spouses

A lesson in how not to pull on the dance floor

Different cultures must be respected, not least because they might actually have something to teach us. Writing from a New Labour perspective, it is clear to me that arranged marriages, for instance, are probably a far better idea than we romantic Westerners have been prepared to admit. Infatuation and sexual attraction wear off. What matters (as Tony has said) is the ability to provide a stable home for the children, and – let's face it – one's parents may well be better judges of long-term compatibility than one's callow self. They have been there.

But sometimes it is hard to look at other civilisations with the open mind and clear eye that true tolerance requires. And so it was yesterday with me and the Turkish wedding. The celebration in question took place over the weekend in a small town close to the Iraqi border, and ended in tragedy when a hand grenade exploded in the middle of the feast. As the incident was being investigated, however, it was discovered that this had not been – as was first

thought – an attack by Kurdish extremists, but was the consequence of a terrible accident. Apparently, a grenade worn by one of the men attending the wedding had gone off after the pin had been pulled out – probably snagged on the clothing of a passing dancer. Try as one might, it is hard to recognise the utility in a custom involving the wearing of volatile explosives at crowded functions. When you hire a harmless tuxedo for a cousin's wedding, the most offence you will cause is down to your misjudged, violently coloured waistcoat, or that nasty-looking cummerbund. Down on the Iraqi border, however, as the donkey cart awaits, Kemal is giving a final polish to his grenades. Perhaps his wife even adjusts them slightly, getting her husband to do a quick – but careful – twirl. When they arrive at the feast he is the object of admiration. "What a fabulous outfit!" his relations all tell him. "And where did you get the grenades?"

"In town. They're live, you know," he proudly informs them. "Oh!" they reply, impressed, "and now you



David Aaronovitch

must come on to the crowded dance floor and do some very energetic folk numbers. But mind the pin." Kemal, whichever way you look at it and whatever allowances you make for cultural idiosyncrasy, is a cretin. Or, rather, was a cretin. And any so-called civilisation that allows someone like him to play hopscotch dressed in bombs is surely deficient. Perhaps other guests arrived festooned in land-mines, or with rockets in their belts. Which, naturally, brings me to the late William

Burroughs. Burroughs, you may recall, outlived the woman he called his wife by 46 years. He pulled off this impressive trick of differential longevity by shooting her in 1951. In a flat above a bar in Mexico City – during a party – the inebriated writer produced a gun (he loved guns in his life), informed those present that he was about to repeat his famous William Tell routine, put a glass on Mrs Burroughs's head and fired. The glass remained intact.

Burroughs, however, was not a cretin. He was a great writer. Edith Sitwell didn't like him, which proves it. If it was Kemal's stupidity and predisposition towards reckless violence that, predictably, killed the wedding guests, it was Burroughs's dangerous, rebellious and admirable spirit that – unfortunately – killed his missus. This same awkward relativism was also apparent in some of the reporting of this week's American Indigenous Games. The Games include successful sports like football (invented by the Tolmecs), volleyball (the Aztecs),

lacrosse (the Huron), and some less well-known ones such as war canoe racing (first one to the waterfall gets to kill the Jesuit). But there is also a rather unusual, silly and slightly laughable game involving lying face down on the ground, putting all one's weight on one's knuckles and toes, and, from this bizarre position, springing forward as far as you possibly can. Pretty daft, eh? No wonder that one never caught on. "Barry, look at those superbly developed knuckles. And there he goes! Oh, it must be close to 1ft 3, a world record!"

But wait a minute. If you think that sounds mad, then imagine yourself trying to explain to a Mayan or a Seminole, the rudiments of the triple jump ("well, first you hop on one leg as far as you can, then you do one of those little coltish springs that small kids do, and finally, you..."), or the pole vault ("take a 10ft pole, run, stick the pole in the ground, and use it to lever yourself over a high bar, falling to the ground on the other side"). Let alone synchronised swimming.

A final snipe at the last Governor goes wide of the mark

If nothing else, the highly publicised inquiry into whether the former Governor of Hong Kong, Chris Patten, has breached the Official Secrets Act in helping Jonathan Dimbleby, author of *The Last Governor*, should do wonders for sales of the book. Its confirmation by Peter Mandelson, which dominated Sunday's television and radio bulletins, also conveniently diverted attention from an unusual spate of otherwise rather unfavourable publicity for the government. But neither consequence should obscure the fact that this is about something large and historically quite important: the fratricidal struggle within Whitehall and the very highest reaches of the Conservative Party to imprint on posterity competing versions of Britain's last great retreat from empire.



Donald Macintyre

What has infuriated the FO mandarins is the light Dimbleby's book about Patten sheds on the secret negotiations in the 1980s

that the US will watch its progress closely. What has infuriated the Foreign Office mandarins is the ample and unsavoury light Dimbleby sheds on the secret negotiations in the mid 1980s, during which senior British officials bent over backwards to reassure the Chinese government that the proposal for direct elections from 1988 should not be read as a commitment. It was this clandestine backtracking which led to a secret deal to postpone the direct elections - other than for a handful of LegCo seats - provided that China committed itself to introduce direct elections some time after 1997. It was this deal which, in effect, Patten so embarrassingly "broke" when he introduced a bill for direct elections to LegCo in 1994. Almost unbelievably, it had survived a consultation exercise which the Hong Kong government, apparently under orders from the Foreign Office, quite simply gerrymandered. The result was a majority well in excess of two to one in favour of elections. But the Hong Kong government then hit on a wheeze which would have done credit to the most timid totalitarian state. Most of the signatures against were on pre-printed forms handed out by the pro-China groups. Most of those in favour were on petitions. So the Hong Kong government simply gave the pre-printed forms more weight than the petitions and cheerily announced that the survey had gone against direct democracy.

There is something grimly appropriate that all this should be the subject of an Official Secrets Act enquiry. There have been dark mutterings in Whitehall that Dimbleby's book contained sensitive intelligence material. But what material? Nobody seriously believes, for example, that the British government knew only through intelligence that Peking was actively communicating with its supporters in Hong Kong. It was scarcely secret at the time. What has really angered officials about Dimbleby's book, surely, is not material in it that jeopardised national security at all; most of the revelations in Dimbleby's book are of information known both to the British government and an often far from friendly foreign power - but not to the British or Hong Kong people. (It would be nice to think that almost everything revealed in Dimbleby's book would be automatically available under the Government's promised Freedom of Information Act. That is far from certain; and depends in large part on how narrowly ministers draw the category of "advice to ministers" which they intend to exclude from the scope of the Act). No, it's appropriate because secrecy is a lot of what this chapter of British history is about. One of the most ringing passages of the book is the one in which diplomats like Sir Robin McLaren, then adviser to the Hong Kong government, recoiled from Margaret Thatcher's rather modest demand that they report the progress of negotiations leading to the 1984 Joint Declaration to the Hong Kong executive council. The current official secrets inquiry will surely soon be finished. A more fruitful follow-up might be an inquiry into what lessons might be learned from the way negotiations were conducted from 1979 to 1990.

So the UK is past its best. Want to bet?

by Andreas Whittam Smith



The good old days? One in five children in the UK now lives with a single parent and a further one in 12 lives in a step-family

I have recently had the conversation we all have from time to time. My friend Max said suddenly: "You know, the country is finished." He had in mind the decline in church-going, the diminished role of marriage and the rise in the number of abortions. I, the perennial optimist, disagreed with Max's conclusions and wanted to frame some sort of bet - I would pay up in so many years' time if the country was truly finished, and he would reward me if it wasn't. So I have been casting about to find ways of measuring a nation's well-being.

A good starting place is the Human Development Index, calculated by the United Nations. The components are longevity, knowledge and income. Longevity is life expectancy at birth; knowledge is defined as a combination of adult literacy and years of schooling; and income is income. Professor Crafts at the London School of Economics has compiled the index for 25 countries, and carried the series back to 1870 for 16 of them. The UK was in second place in 1870 (after Australia and before the United States). It had slipped to fourth by 1913, was fifth in 1950, and seventh in 1970. In 1992 it was 10th, one behind the Netherlands and just ahead of Germany, with the first three spots occupied by Canada, Switzerland and Japan.

Taking wealth creation alone, I would adjust the standard measurement in two ways. First, account should be taken of hours worked for a given output, so that the amount of leisure time we enjoy is implicitly recognised. In the UK, the annual hours worked per person have fallen from just under 60 hours a week in 1870 to half that in 1992. In South Korea, on the other hand, the average working week went up from 45 hours in 1950 to 56 hours 40 years later. On this measure the UK is the 11th most productive economy in the world, ahead

of Germany, the Netherlands, Belgium and France are twice as high as they are here. The number of notifiable offences recorded by the police in England and Wales has increased steadily from the early 1950s, when there were fewer than half a million a year, to more than five million nowadays. And remember that only just under half the number of crimes actually committed are reported to the police -

and 1993, but transport emissions rose by 63 per cent. During the same period, there was an increase of just over half in the average daily flow of vehicles on our roads. About a quarter of all households have two cars. If only one measure of damage done to the environment can be selected, then pollution caused by cars seems to me to be the key test. How can we measure political freedom? The Heritage Foundation in Washington assesses economic freedom. The Committee to Protect Journalists in New York monitors press freedom. Amnesty's reports are an invaluable source of information. A Berlin-based organisation, Transparency International, lists countries according to their degree of corruption. At present, Denmark is ranked as the least corrupt and Nigeria as the world champions of sleaze. The UK generally comes out well on such criteria.

Of the eight tests of a nation's progress, Britain passes four, but fails in terms of equality, family structure, crime and pollution

The second adjustment concerns equality. After decades of stability, the gap between the rich and the poor in the UK began to widen during the 1980s. Between then and the middle of the 1990s, people in the top 20 per cent of incomes experienced a rise in their earnings of 45 per cent in real terms, while those in the bottom fifth saw their incomes grow by only 9 per cent. Inequality is repugnant in itself, and it will have unpleasant consequences. That there have not been until now may be explained by the fact that people's circumstances change quite rapidly, so that some of those classified as poor at any one time will be able to improve their situation while others are sinking. Thus, more than half the people in the lowest 10 per cent of incomes own a car, three-quarters have cen-

trally heating, and more than two-thirds own a video cassette recorder. Max was right to mention the family, but not in terms of whether couples were marrying or cohabiting. The important test is the sort of settings in which children are being brought up. For it is beyond doubt that the outcomes are more likely to be favourable in two-parent families than in lone-parent households. It is

simply harder to bring up children alone than with both parents. Yet one in five children in the UK lives with a single parent and a further one in 12 lives in a step-family: an enormous change since the early 1970s, when more than nine in 10 children lived with two parents. To the four criteria I have already mentioned, I must add a further four: education, crime, pollution and freedom. Forty years ago, 40 per cent of 17-year-old boys had the equivalent of one or more GCSE grades A to C, and only 20 per cent of girls. Since then, two good things have happened: the gender gap has disappeared and the proportion has risen to 80 per cent. At the same time, there has been a substantial increase in the number of young people engaging in higher education. But look across the English Channel. The participation rates at age

because some may be considered too trivial, or because it was thought that the police could do nothing, or because the matter was handled without police intervention. There was a particularly sharp rise in crime during the second half of the 1980s, but since then, thankfully, there has been a slowing down. In measuring pollution, I would concentrate on emissions of carbon dioxide, because they do the most harm to the global atmosphere. Emissions for industrial and domestic use fell between 1971

The traveller's thoughts on setting out

I decided to take a chance on the apricots. Everything else that was perishable I put on the kitchen table in a large mound and ate it: half a carton of bounteous, the remnants of a summer pudding, two carrots, a whole packet of beetroot, a pound of peas in their shells, a quarter of a treacle tart and half a loaf of date and apricot oat bread. I would take just over four weeks I reckoned to complete my tour through what Daniel Defoe in the 18th century referred to as *The Whole Island of Great Britain*. I like my apricots intense and wizened so I put them in a bowl on the window ledge where they would get the full sun and left them for my return. Then I finished off everything on the table in a gargantuan tidying.

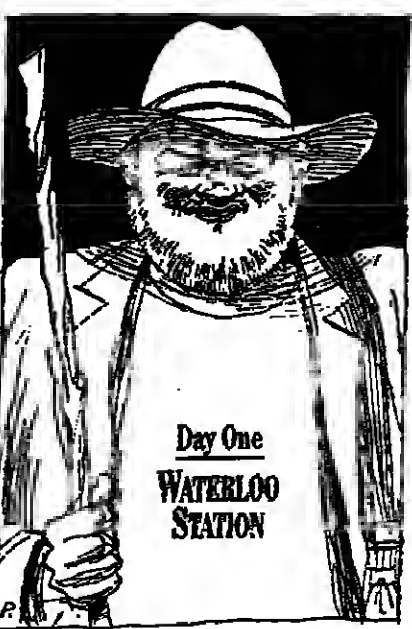
There is something about a journey which responds to the human instinct for tidiness. They are bits of life you can plan for. I thought as I shuffled through my wardrobe trying to decide what was the minimum I would need for three weeks on the road. I would have to appear presentable for everyone from a Japanese industrialist in the former coalmining areas of the Welsh valleys to the occupants of a hostel for the homeless in Edinburgh. In between there would be the prosperous business folk of Ulster, an extended Hindu family celebrating a Vedic coming of age near Leicester, the country folk attending the Westmorland wrestling at Cockermouth Agricultural Show and a variety of bed-and-breakfast landladies. The bag also had to be light enough to carry while walking.

Packing in such circumstances is more than an act of economy. It is an existential moment of self-definition: to this your life must be reduced - a

linen jacket, a thin waterproof, two pairs of lightweight trousers, half-a-dozen shirts, underwear, socks and a tiny bag of toiletries. Take risks, I told myself, and decided against a pullover or second pair of shoes. In the hope of sun I took out a straw hat, said a pre-emptive farewell to it on the grounds that I was certain to lose it somewhere en route and jammed it on my head. Journeys, since they begin and end at home, always start and finish with the familiar. Even so, it was odd to arrive at Waterloo station, through whose vast concourse I pass every day amidst tens of thousands of other scurrying commuters, and view it in a different mood. When I emerged from the humid atmosphere of the Underground station, where the tepid, soupy air tasted as if it had been circulating for more than half a century, it was pub-closing time.

By the entrance to the platforms was the usual array of weary-eyed late office workers. Some rushed by in a hurry, mobile phones to their ears. Others stuffed their mouths with the kind of hasty greed which the solitary consumption of fast food seems particularly to induce. Others, visibly bearing the signs of drink, stood looking blankly up at the clicking destination board as if awaiting some sign of hope. For all of them it was a mere place of passage; for me it was a point of departure. As they headed for the commuter-belt trains I moved away towards the sleeper to Penzance. Singularity of purpose is what marks out the act of travelling. A sense of having left behind the quotidian is what characterises the accounts of those who have set out on a tour of the island before. Some, like one of the first who left a record, the pilgrim monk William of

A JOURNEY AROUND THE WHOLE ISLAND OF GREAT BRITAIN



Day One WATERLOO STATION WITH PAUL VALLELY

Worcester in the 1470s, become obsessed with the cost of the exercise or with the trivia of topography. But all in some way, in the words of William of Malmesbury who preceded his namesake in the 12th century, "hold a glass up to the nation". With some it is necessary to read between the lines: in 1534 John Leland, the King's Antiquary, was touring to catalogue for Henry VIII the loatable manuscripts of the monasteries, and Daniel Defoe's journeys were undertaken as a secret agent to spy on the views of local worthies for his master, the Tory politician Lord Harley. With others, like George Orwell on his English Journey or a host of modern travel-writers, the overt intention has been to take the pulse of the nation.

I resolved to do the same. In Blair's Britain the social pendulum is to swing, we are told, from rights and individualism to responsibilities and community. Was this some hankering after a golden age or might such things still be possible in this pre-millennial age? And if so would this New Jerusalem be found in the town or the country, at work or at play, amid prosperity or adversity? My thoughts took a more vulgar turn as I approached the train. Would I get a fatter or a snorer, I wondered, as I climbed aboard and sought my berth. Past experience on sleepers had invariably offered a companion with some anti-social traits in the bunk above or below, for on British Rail sleepers the solo traveller must share a compartment with a stranger. And even on those occasions when no one climbs into the other bunk the possibility of their later arrival preserves an odd public quality to the

tiny space with its two sets of dangling leather-padded clothes hangers and its foldaway sink in which you and an unknown individual must perform a cramped postage-stamp minut. Perhaps this time, it suddenly occurred to me, guiltily recalling the massive clearance of hansom, raw peas and beetroot, the nocturnal nuisance might be me.

But this time there was no upper berth. The top bunk was packed still inside the wall of the little cabin. With its single bed the space took on the air of a monastic cell. Something in it prompted me to unpack my sparse belongings and set them neatly on the bed as if for a kit inspection.

With the same precision I unpacked the Great Western complementary overnight toilet bag and arranged its contents in a line: paper floor mat, flannel, aromatherapy go-to-sleep face wipe and refreshing wake-up spray together with an angular green plastic shoe horn, comb and toothbrush. What kind of person would come on a journey like this so ill-prepared as to need all this, I wondered to myself, and then unpacked my own toilet bags to discover the answer was... someone like me. I had forgotten both brush and toothpaste. I climbed into the starched sheets, having set the thermostat to cool in anticipation of over-generous heating, and tried to sleep. Outside the unnaturally bright tones of the recorded departure announcements told me that the last train to my home in the Surrey suburbs was about to leave.

The sleeper was late in leaving. I pulled another blanket around me and drifted off. At 12.57am, an hour behind schedule, I half woke at the gentle jolt as the train left London and headed West.

Renewing your home insurance in August or September?

If you are 50 or over, you could save with Saga, call us NOW

You will know how expensive home insurance can be. Thankfully, if you are aged 50 or over you can benefit from Saga Home Insurance, a superior household insurance that is only available to mature, responsible people like you.

Saga Insures More Homes

What is more, Saga Home Insurance is now able to cover an even wider range of properties. So even if we have been unable to offer you cover in the past, why not call today FREE.

The Saga Price Promise

If you find another comparable policy at a lower price within 2 months of taking out Saga Home Insurance, we will refund you the difference.

SAGA INSURANCE SERVICES

Saga Insurance Services, FREEPOST 731 Middlebury Square, Farnborough GU14 1AZ

Saga Insurance Services would like to send you information about other Saga products and services and may pass on your details to other Saga companies for this purpose.

And why not ask us about our competitive MOTOR INSURANCE

Insurance cover is comprehensive and low cost

FREE 24 hour domestic emergency and legal helpline

FREE pen with your quotation

Call us today

For your free no obligation quote simply call us on the number below. To help us help you, please have all relevant details to hand when you call.

0800 414 525

quoting reference ID8701

Lines open Monday to Friday 8.30am - 7pm, Saturdays 9am - 1pm

business & city

FINANCIAL JOURNAL
OF THE YEAR

Business news desk: tel 0171-293 2636 fax 0171-293 2096
DEPUTY BUSINESS & CITY EDITOR: MICHAEL HARRISON

British Gas triumphs in domestic trials

Chris Godmark
Business Correspondent

British Gas has emerged as the surprise winner from the trials of domestic competition, according to confidential industry research, which shows the company has unexpectedly kept hold of the bulk of its highest spending customers.

The survey, commissioned by the Electricity Association for rival suppliers and seen by *The Independent*, shows that new entrants into the market have been most successful in persuading lower-spending households to abandon British Gas, the opposite outcome to that predicted.

It provides grim reading for

independent gas companies, which are already grappling with non-existent profit margins, because the most recent trial involves one of the UK's most affluent regions. More than 300,000 homes have so far deserted British Gas in the latest trials, which involve 1.4 million homes in Avon and Dorset and Kent and Sussex.

In addition, a separate unpublished study into the first competition trial in Cornwall, Devon and Somerset, also by the Electricity Association, revealed that more than a third of customers who switched from British Gas were overcharged, some massively so, in their last bill from the company.

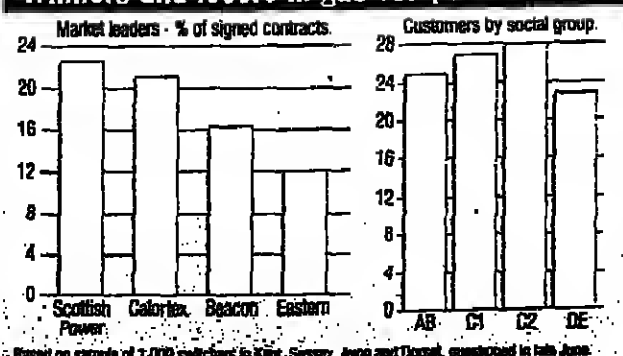
The most surprising finding

from the first survey, carried out in June, is that new suppliers have grabbed their biggest foothold in the "C2" social bracket, which make up 28 per cent of homes that have switched supplier.

In contrast, the wealthiest households in the professional and managerial "AB" segment, who generally have the biggest gas bills, have given the experiment a notably cooler reception, accounting for 25 per cent of those moving to rival companies. Such customers, which provide gas suppliers with their main source of profits, could expect to make much greater savings on annual bills of at least £500.

Even the lowest "DE" social category used by market re-

Winners and losers in gas competition trials:



searchers is responsible for some 23 per cent of homes which have left British Gas, attracted by savings of up to 25 per cent. More than half of the

switchers lived in three-bedroomed houses, while just 20 per cent owned four-bedroomed or larger properties. Privately, rival suppliers had

hoped to grab a much larger slice of big-spending homes from Centrica, the demerged British Gas supply business. Though they are obliged to sell to all social groups, it would be much harder to make profits without a substantial proportion of wealthier consumers.

One independent supplier said: "Centrica must be laughing at these figures. It may not be intentional but they've managed to off-load some of their least profitable customers on to us."

The survey is likely to lead to renewed concern that profits in the domestic energy business are too small to encourage potential competitors like the supermarket chains or oil giants to join in. Groups such as Sains-

bury's, Tesco and British Petroleum are all thought to have rejected selling gas, disappointing the industry regulator.

Of the four largest independent gas companies, Scottish Power has been the most successful in the latest trials, according to the Electricity Association, with more than 35 per cent of its customers in the AB category. ScottishPower's market share of more than 22 per cent is also the largest, closely followed by Calor, a joint venture between Calor and Zenaco. But only 15 per cent of Calor's customers are in the AB group.

Eastern Natural Gas, owned by the regional electricity group, is some way behind in fourth place, with 12 per cent of the

market. Individual customers numbers have never been revealed by the regulator.

The second report, into customer satisfaction in the earliest competition trial, paints a bleak picture of widespread switching chaos, with 35 per cent of billers claiming they were overcharged in their final British Gas bill. The research reveals that 15 per cent of consumers who switched supplier believed they were "massively" overcharged.

Some customers had hundreds of pounds accidentally debited from their bank accounts after British Gas miscalculated their final bills, a mistake blamed on faulty computer data. British Gas later apologised for the mess.

Pearson sets out plans to double value

Andrew Yates

Marjorie Scardino, the chief executive of Pearson, yesterday pledged to double the size of the media-to-entertainment conglomerate over the next five years by achieving double digit earnings growth every year.

She also hinted that Pearson, whose portfolio includes the *Financial Times*, Penguin books, *Madame Tussaud's* and the investment bank *Lazard's*, was likely to undergo a big restructuring in the near future, involving large acquisitions and disposals, to achieve this goal.

"We are not ruling anything out. There will be a different cast of businesses that there are now but our goal remains the same. We have taken 666p as our base [Friday's closing price] and we are shooting for 1332p," Ms Scardino said yesterday.

She revealed her ambitious plans as the group announced pre-tax profits of £81m (£30m) for the six months to June. But Pearson warned that if the strong pound could knock pre-tax profits by £20m in the current year.

Ms Scardino also denied press reports of a boardroom rift with Pearson TV chief Greg Dyke and indicated that the television businesses will be part of the company's long-term future.

"Just to knock this on the head, I'd like to say that Greg and I are not having open warfare. It's just not true. Pearson Television is one of our fastest growing businesses and we are excited about it. We are looking at how to give the TV business greater scale and Greg and I are doing it together," Ms Scardino said yesterday. She dismissed talk of a management buy-out of Pearson TV as "so much hunk".

Pearson confirmed plans to dispose of its medical publishing arm, which publishes prestigious titles such as *Gray's Anatomy*. Analysts believe the business, which has an annual

turnover of £40m, could fetch £60m-£80m.

Some analysts believe that Pearson will not be able to double its size without making substantial acquisitions and believe it can easily afford to spend more than £300m on purchases. Others believe that the group is looking to sell leisure attractions such as *Madame Tussaud's* and *Alton Towers* to raise extra cash for expansion. However, Ms Scardino refused to expand on which other businesses are likely to be bought and sold. She also refused to be drawn on the fate of *Lazard's*. Some City observers believe it sits awkwardly with the rest of the group's businesses, but Ms Scardino said *Lazard's* produced "great profits and cashflow and involved little capital".

Pearson insisted that Channel 5, in which it owns a 24 per cent stake, is on track despite technical hitches which caused reception problems. The company claims that Channel 5, which began broadcasting this spring, has picked up new viewers in July and now attracts more than 3 per cent of the viewing population.

Pearson will have to pay more than £70m in start-up costs for the Channel over the next few years. However, it plans to produce programmes for the new channel, which will bring in around £25m this year.

Pearson revealed that a fraud by one of its employees at the US division of its book publisher Penguin has already cost the group £48m. The employee was offering unauthorised discounts for the early payment of accounts. The employee has been fired and discounts withdrawn, with a resulting shortfall in receipts. Overall the group believes the fraud will cost £100m.

In an effort to make more staff shareholders Ms Scardino also announced plans to introduce share option packages and a new scheme to allow employees around the world to buy shares. *Investment column, page 17*



John Bond, chief executive of HSBC (second right) gets up after announcing another surge in earnings. Photograph: AFP

Tom Stevenson
Financial Editor

HSBC scorns speculation on bid for bank

The chairman of HSBC, Sir William Purves, poured cold water yesterday on persistent speculation that Britain's biggest financial group is poised to bid for another British bank. He said paying a premium to current market values in the high-flying sector would not be in the interests of HSBC's shareholders.

Speaking as the group announced much better than expected interim figures for the six months to June, Sir William added: "We don't have a shopping list. We're not active in this field, we've done quite a lot this year and we'll see that consolidate before we get excited about other things."

HSBC's first-half profits of £2.62bn, up 13 per cent, were well above analysts' expectations of around £2.4bn. After a higher than forecast 33 per cent rise in

the interim dividend, to 20p a share, the group's shares soared in early trading, touching a record high of £23.15 before closing at £22.38, up 44.5p.

Even by the standards of the banking sector, HSBC's shares have been extraordinary performers over the past five years since the group acquired Midland Bank in a bid to diversify from its traditional Hong Kong base. Since the beginning of 1993, they have risen more than seven-fold.

Acquisitions by HSBC in the past year have focused on expanding its interests in Latin America, where it sees strong growth potential. According to Sir William, there is no shortage of opportunities for HSBC to buy businesses and the group will only consider returning excess cash to shareholders when those opportunities dry up.

Sir William said the handover of Hong Kong, where HSBC makes around half its profits, to China had gone smoothly. The

group owns Hongkong Bank in the former colony and also a controlling stake in Hang Seng Bank. He said Hongkong Bank's results had been hit by a £40m underwriting loss, but declined to give any further details.

The loss pegged profits from Hongkong Bank back to £815m (£818m), while Hang Seng Bank's profits grew 7 per cent to £394m (£368m).

HSBC reported growth in loans especially in Hong Kong, where the property market was buoyant, and in the UK where corporate and mortgage lending was up.

He said that margins were under pressure at Midland Bank although the bank had managed a sharp fall in the cost income ratio to 56 per cent, well down on the 70 per cent ratio when it was taken over. Midland increased profits by 17 per cent to £512m.

Comment, page 15

BA shares fall as strike costs climb to £125m

Michael Harrison

The British Airways cabin crew strike last month cost the airline £125m, wiping out more than half the savings it expects to achieve this year from its £1bn business efficiency programme, it emerged yesterday.

BA also warned the strong pound could knock a further £200m off profits. Alongside a 28 per cent drop in operating profits for the first quarter, the news sent BA shares skidding down 30p to 610p, making them the worst performer in the FTSE 100 index.

The costs of the three-day stoppage in July are far higher than expected. Analysts had pencilled in losses of £40m-£100m. But BA said it was still feeling the effects of the dispute. Although no further stoppages are planned and unions and management have resumed talks on how to achieve the £42m cost savings BA is seeking, sickness levels among the 12,000 cabin crew staff are still 50 per cent above normal levels. About 900 staff are off sick - 350 more than BA would expect at this time of year.

BA's chief executive, Bob Ayling, who was heavily criticised for the airline's tactics during the strike, would not comment on the progress in the talks but said he was optimistic that the difficulties between the two sides could be resolved. "We can ill-afford a costly dispute of this sort. I very much hope we can win the hearts and minds of employees and customers of the need for efficiency changes which are essential for the future," he added.

BA expects benefits from the programme to exceed £200m this year and reach £1bn by the end of the decade.

Operating profits in the period from April to June were £140m compared with £195m last year. BA said that the overall impact of the strong pound had been to cut profits by £77m in the three months.

At the pre-tax level, profits were up by 47 per cent to £220m due to the one-off

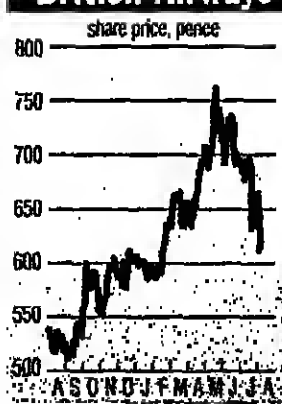
£130m gain from the sale of BA's stake in US Airways, its former transatlantic partner.

The strength of sterling contributed to a 6.3 per cent fall in operating margins and a 2.4 per cent decline in passenger yields - the amount earned per kilometre flown.

Mr Ayling said that excluding the impact of the strong pound and the £15m of strike-related costs during the quarter, the underlying growth in profits was 21 per cent. However, he added: "These figures show that we were right to put in place the restructuring plan. The airline industry remains very competitive."

The plan is to remove some 5,000 staff from the payroll through the sale and outsourcing of some businesses but to

British Airways



recruit an equal number in areas such as customer service. Compared with a year ago BA is employing 2,300 more people, leading to a 3.8 per cent increase in employee costs to £272m. But productivity improved 6.2 per cent in the quarter.

Sir Colin Marshall, chairman, said BA still hoped to receive regulatory approval from London, Brussels and Washington for the alliance with American Airlines. It has in effect set a deadline of this November for clearance. Even if the tie-up is approved by then, it is not expected to be able to launch the alliance until next summer. *Comment, page 15*

Dial-a-Cab may take fresh route to drive for AIM

John Wilcock

Central London's largest black taxi firm, Dial-a-Cab, announced yesterday that it is considering ditching its friendly society status in favour of becoming a plc and floating on the Alternative Investment Market. The conversion and float would mean free "windfall" shares worth a minimum of £3,500 for all 1,638 member

drivers, according to Dial-a-Cab's chairman, Brian Rice.

Mr Rice said the recent spate of building society conversions to plc status had "helped to focus our minds". He said the main reason for the change would be to release value built up by drivers who had spent years working for Dial-a-Cab.

"We have approached the City advisers English Trust with

our conversion proposals and they have told us that each member would get at least £3,500 and possibly substantially more," Mr Rice said. English Trust is a firm of corporate advisers based in Charterhouse Square, London.

Dial-a-Cab was founded in 1953 as a friendly industrial provident society, or a co-operative. Mr Rice said that all members have to buy one share

in the society for £50 when they join, and then they sell the share back to the Society for just £50 when they leave, however long they have worked for the operation.

"We have always been looking at ways to release value in the society for our members. It seems to be a bit of an anomaly to get £50 back, however much profit you have built up," Mr Rice said.

The chairman wants to put the proposals to the society's next annual general meeting in November.

"I think in the main the vast majority of members would be in favour [of conversion]," he said.

"Giving people shares in Dial-a-Cab would also be a good way to incentivise the members."

Earlier this year the other big

London black-taxi firm, Computer Cab, proposed to float on AIM, but instead ended up selling an 80 per cent stake to overseas investors in Singapore and Australia.

Dial-a-Cab made net profits of £613,000 for the year ended 31 August 1996, and is expected to make around £800,000 for 1996/97.

"We're reasonably in the black," Mr Rice added.

Shire deal lifts biotech sector

Magnus Grimond

A £186m (£114m) deal to buy a US drugs group unveiled by Shire Pharmaceuticals and good results from Oxford Molecular helped the biotechnology sector shrug off negative sentiment yesterday.

Shire saw its shares end 8p higher at 249.5p after revealing the purchase of Richmond Pharmaceutical of Kentucky, a competitor to Medeva in the market for drugs to control unruly children. Oxford Molecular's shares rose 3.5p to 248.5p after announcing losses cut by 27 per cent to £677,000 along with a move to pay £2m for an option to take control of Cambridge Combinatorial, the company run by Alan Marchington, younger brother of Oxford's chief executive, Tony Marchington.

But the sector was dragged lower early on by British Biotech, the UK's highest biotech company, which was hit by press reports suggesting potential anti-cancer blockbuster, faced problems both from current medical trials and the growing likelihood of competition from rivals such as Roche.

the Swiss giant. The claims, denied by the company, sent the shares 10p lower at one stage yesterday, before bouncing back to end 5p higher at 157.5p.

The Shire deal was greeted more enthusiastically by analysts. Richmond claims to have launched the fastest growing drug in the US to treat disruptive children with so-called attention deficit hyperactivity disorder. In the space of 15 months, Adderall has swept up 5.1 per cent of a market put at £457m in 1996. The company claims that with its other treatment, DextroStar, it has taken its overall share to 9 per cent recently, mostly at the expense of Abbott Laboratories' Cylert product and Medeva's methylphenidate, the generic drug which has fuelled recent growth.

Richmond says the product is longer lasting and has fewer side-effects. However, none of its drugs has patent protection and the group is facing a class action suit relating to its Phenformin obesity treatment. The US Drug Enforcement Agency must also still approve Shire as a licence holder for strictly controlled drugs sold by Richmond. *Investment column, page 17*

STOCK MARKETS									
FTSE 100									
Index	Close	Week's chg	Change%	1996/97 High	1996/97 Low	1996/97 Range	1996/97 High	1996/97 Low	1996/97 Range
FTSE 100	4899.30	+47.8	+1.0	4964.20	4056.80	3.34			
FTSE 250	4498.40	+13.7	+0.3	4728.40	4386.20	3.69			
FTSE 350	2348.50	+20.0	+0.9	2373.70	2017.90	3.40			
FTSE SmallCap	2188.73	+2.9	+0.1	2374.20	2178.29	3.25			
FTSE All-Share	2291.97	+18.4	+0.8	2316.03	1989.78	3.39			
FTSE 100 Div	8194.04	+80.6	+1.0	8254.89	8032.94	1.60			
New York	19604.38	-585.2	-2.9	20681.07	17303.85	0.781			
Tokyo	16379.22	+721.1	+4.6	16379.22	12055.17	2.731			
Hong Kong	4408.79	+91.1	+2.1	4438.93	2848.77	1.251			

Statistics as of 4 August

INTEREST RATES									
UK interest rates									
Index	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year	30 Year
UK	6.97	7.5	7.02	7.06	7.05	7.06			
US	5.56	5.91	6.16	6.80	6.42	6.84			
Japan	0.5	0.88	2.11	3.33					
Germany	3.09	3.47	5.61	6.34	6.30				

BOND YIELDS									
Index	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year	30 Year
UK	6.97	7.5	7.02	7.06	7.05	7.06			
US	5.56	5.91	6.16	6.80	6.42	6.84			
Japan	0.5	0.88	2.11	3.33					
Germany	3.09	3.47	5.61	6.34	6.30				

MAIN PRICE CHANGES									
Index	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year	30 Year
UK	6.97	7.5	7.02	7.06	7.05	7.06			
US	5.56	5.91	6.16	6.80	6.42	6.84			
Japan	0.5	0.88	2.11	3.33					
Germany	3.09	3.47	5.61	6.34	6.30				

CURRENCIES									
\$/£									
Index	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year	30 Year
\$/£	1.6370	-2.81c	1.5572						
\$/¥	1.6315	-3.25c	1.5525						
\$/DM	3.0984	-1.97p	2.2946						
\$/A\$	1.9326	+1.17p	1.8624						
\$/S\$	1.053	-0.9	84.7						

OTHER INDICATORS									
Index	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year	30 Year
Oil Brent \$	19.06	-0.06	19.40						
Gold \$	324.05	-1.2	326.50						
Gold £	197.85	-0.73	248.20						



COMMENT

Sir William should consider catching this wave

The ticklish question for the HSBC chairman is whether he can really afford to stand by and watch Midland become marginalised as the UK banking sector consolidates

First Sunbury's caught the hug, now Richard Branson says he wants to be a banker. It is no wonder that HSBC's chairman, Sir William Purves, is so sniffy about buying another British bank - with so many returns from the sector are plainly unsustainable.

From his perspective at the head of one of the truly global commercial banks, the risks of missing out on the wave of consolidation in our mature, oversupplied and expensive banking industry must seem pretty insignificant. To understand why he is right to tread warily over here, consider the following. Start with an economy worth £100bn, grow it at 2 per cent a year for 10 years and you end up with just £122bn. Grow that same £100bn at 7 per cent a year and you end up with more than doubling it to £197bn over the same period.

The enormous power of compounding explains why HSBC's strong position in countries like China, Malaysia and India, where GDP is growing at between 5 and 10 per cent a year, is worth so much more in the long run than stakes in the economies of the US, UK and western Europe, where growth is a more pedestrian 2 to 4 per cent.

With wealth per head of population reckoned to be no more than about \$720 in China, compared to \$29,600 in the US, there is no reason to suppose recent levels of growth should not continue for years if not decades. If current rates continue, China will

have the biggest economy in the world by the year 2020, meaning it is unlikely to be rocking the boat in Hong Kong.

The picture is actually brighter than these bald figures might suggest. In Latin America, where HSBC has acquired a leading position in the past year for about a third as much as it would have to pay for a second-line such as Alliance & Leicester, the proportion of the population deemed to be even hankable is as low as 20 per cent. There is enormous scope for growth.

Accept that the hankable population in developing markets will grow faster than the economy as a whole, and throw in the propensity in a lot of Far Eastern markets for high levels of personal saving, and the outlook for HSBC begins to justify the seven-fold increase in its share price over the past five years. That, at any rate, is the theory. The ticklish question for Sir William is whether he can really afford to stand by and watch Midland become marginalised as the UK banking sector consolidates. Faced with the creation of another Lloyds TSB retail banking giant, HSBC's strategy could take a sharp temporary diversion.

Economic council is a verbal trick

As a finishing touch to all the dramatic changes he has made to the running of economic policy, Gordon Brown has named

the first two members of his Council of Economic Advisers. But the two experts, both highly respected in their fields, will not be working together, as the title "Council" suggests. Rather, they will advise different teams of Treasury officials on their separate areas of expertise.

Fair enough. The Treasury has for a long time very sensibly drawn on outside talent in this way. But it means that this is a Council in name only, a verbal gimmick that will allow the Chancellor to live up to a high-faluting pre-election pledge.

The similarities with the US Council of Economic Advisers begin and end with the name. For the US version advises the President rather than his Treasury Secretary. It is an independent locus of economic advice, semi-detached from government.

It is usually composed of very high-profile and independent-minded economists who can speak their own mind if they disagree with aspects of policy. They might not last in the job if they were too outspoken too often, but equally they are not lightly sacked.

The American CEA actually bears a closer resemblance to the Treasury's ill-fated panel of "wise persons", in that it publishes every year an annual report on the state of the economy and its future prospects. This report is taken as an authoritative assessment. However, it has a status the Treasury panel's reports never achieved because they were deliberately selected to disagree with

each other - or represent a wide range of views, as the official gloss put it.

Like the panel it replaces, our own new Council of Economic Advisers is clearly not meant to provide a heavyweight, cohesive commentary on the Government's economic policy in the same way as its US namesake. It is hard to resist the suspicion that, in fact, the last thing Mr Brown wants is any possibility of disagreement with his policies, especially from anybody with the status that an established reputation brings.

So all praise to the Chancellor for bringing in advisers to top up the Treasury's own extensive expertise. But he should not expect anybody to fall for the gimmickry of a fancy-sounding but empty title.

BA needs to boost its efficiency programme

British Airways management has spent a good deal of time circling around in the hope of burning off staff opposition to its business efficiency programme but sooner or later it had to crash land. The £125m bill BA has picked up following last month's three-day stoppage by cabin crew demonstrates that it is not just the airline's employees who are in for a bumpy ride if BA is to achieve its target of saving £10 by the end of the decade.

It is extraordinary how quickly the costs can mount up when staff vote with their feet

- or rather their sick notes - and passengers decide to check in elsewhere. The strike costs are significantly above analysts' expectations. Together with a warning that the strong pound could leave a further £200m dent in profits this year, it was enough to send the shares spiralling down another 30p, making for a near 20 per cent retreat since its full-year results back in May.

Admittedly, BA has been buffeted by more than just poor employee relations. The continuing failure to receive regulatory approval for the alliance with American Airlines and the damage caused by the strength of sterling are at least as bad for sentiment.

But if BA is to repeat the success it achieved in the first decade after privatisation, then the business efficiency programme will be the key. One-off costs of £125m are small beer in comparison to potential benefits of £10.

The difficulty for BA is that as soon as it finds ways of saving money, new opportunities to speed it up pop up. Although the efficiency programme is now two years old, the staff bill is rising, not falling or remaining static.

Launching a low-cost airline is not really the answer. BA has effectively been carrying out just such a policy by franchising out the name, livery and flight code to other airlines. Yesterday, but for the skill of a pilot, the dangers inherent in that strategy could have come home to roost too.

Brown names economic advisers to the Treasury

Diane Coyle
Economics Editor

Gordon Brown yesterday announced the appointment of two experts in his long-promised "Council of Economic Advisers" at the Treasury.

Paul Gregg, an economist from the London School of Economics specialising in the jobs market and inequality, and Chris Wales, a tax partner from Arthur Andersen, will work with teams of Treasury officials.

Although the new Council is billed as a replacement to the disbanded Panel of Independent Experts, the experts will focus on separate areas of policy rather than offering advice as a group. Yesterday's announcement made it clear that the individual policy experts would work alongside separate Treasury teams on the Government's priority areas.

Ed Balls, the special adviser to the Chancellor of the Exchequer, will continue to play a dominant role in economic policy. He has not formally been named chairman of the new Council but will co-ordinate policy as the Chancellor's main adviser.

Further outside appointments to the Council will be announced. Eventually there could be up to six experts brought in. In addition, the Treasury has not yet indicated whether or when Sir Alan Budd, its outgoing chief economic adviser, will be replaced. He is due to retire from the Treasury and move full-time to the Bank of England's Monetary Policy Committee in November.

Names in the frame for the top economics job in the Treasury have included Gavin Davies, chief economist at Goldman Sachs, and Professor Charles Bean of the London School of Economics, as well as Mr Balls. However, the ultimate

structure of advice remains unclear. The Treasury dismissed recent reports that Permanent Secretary Sir Terry Burns will be replaced as "extremely speculative".

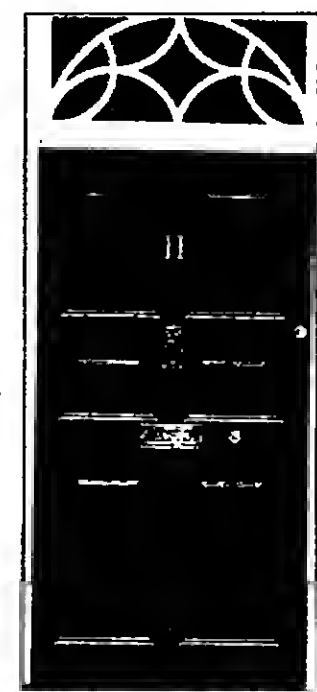
Paul Gregg will work part-time at the Treasury and part-time in his current position as Senior Research Associate at the LSE's Centre for Economic Performance. He will focus on the Government's welfare-to-work programme and the review of the tax and benefit system being co-ordinated by Barclays Bank chief executive Martin Taylor.

Mr Gregg is a specialist on job insecurity, poverty and movements into and out of unemployment. He co-authored research which established the fact, often quoted by the Chancellor, that one in five non-pensioner households in the UK does not have anybody in work.

Chris Wales is a tax expert who worked in Sweden from 1991 to 1995 as head of Arthur Andersen's international tax practice there. He has specialised in corporate tax issues, including the financing of takeovers, and is expected to concentrate on the Government's planned reform of company taxation. His clients have included big US and European multinationals.

The new Council of Economic Advisers has been billed as a parallel to the US body of the same name, but so far the similarity is confined to the name. The Treasury has for some years drawn on advice from outside economists, often part-time, on their particular areas of expertise.

Kenneth Clarke, the former chancellor, appointed Edward Troup, who has since moved to City law firm Simmons & Simmons as an adviser on taxation.



The new Council is to advise Number 11 on policy design

ment yesterday said the terms of reference for the new Council were: "To advise the Chancellor of the Exchequer on the design and implementation of policies for the achievement of the Government's economic objectives."

Halifax data met with caution

Diane Coyle

The first tentative signs yesterday that consumer spending was not after all getting out of control were not expected to carry much weight with the Bank of England's Monetary Policy Committee when it meets this week.

Analysts remained divided about whether or not the Bank will announce the fourth increase in the cost of borrowing in four months after its meeting ends on Thursday.

Halifax reported yesterday that house prices had remained almost flat last month, climbing only 0.1 per cent. The annual rate of increase slowed to 6.4 from 7.1 per cent in June.

Halifax said that the housing recovery would continue, describing the market as "well supported". But its downward figures contrasted with Nationwide's alternative measure. On Friday Nationwide said its house price index had jumped 1.8 per cent in July, with the annual rate picking up to 12.2 per cent.

A spokeswoman for Halifax claimed its rival's figures reflected a bias towards London and the South-east. But Nationwide said its figures were weighted to adjust for regional differences and were also more reliable because based on a bigger number of housing transactions than the Halifax measure.

With mixed signals on the housing market, a separate indicator yesterday pointed to slower growth in cash in circulation last month. The growth in the narrow money measure M0, of which cash forms the biggest component, eased to 5.9 from 6.2 per cent in June.

This was its slowest annual growth rate for 18 months. But economists were wary about drawing any conclusions for high street spending, as retail sales growth has picked up during this year even as narrow money growth has slowed.

Adam Cole, UK economist at James Capel, said consumers were spending on big ticket items which were unlikely to be paid for in cash. Analysts also pointed out that all other recent indicators of consumer spending had indicated booming demand. Yesterday's figures were not enough to change the minds of the Bank's experts if they wanted to raise interest rates.

IN BRIEF

German industrial output climbs

Industrial output in Germany bounced by 1.4 per cent in June, reversing a sharp fall in May. The Economics Ministry said there would be a "noticeable" upward revision to the latest figures in a few weeks' time. Economists said the figures indicated that recovery in Germany was on track, if not exactly robust, despite lacklustre domestic demand. Exports are driving the gains in output. According to the breakdown of the figures, construction output expanded by 6 per cent in June after a 4.9 per cent fall in May, while manufacturing output rose 1.2 per cent following a 1.3 per cent decline in May.

Shift in semiconductor market

Foreign companies secured a record 32.6 per cent share of Japan's semiconductor market during the first quarter of the year, according to US government figures. The previous record of 29.6 per cent was set in the fourth quarter of 1995. "This is evidence that market forces are at work," said US Trade Representative Charlene Barshefsky. A year ago the US and Japan reached a new agreement on semiconductors aimed at ensuring continued progress on market access and industry co-operation.

Birmingham buys mortgage portfolio

Birmingham Midshires Building Society, which has been widely rumoured to be in takeover talks with Royal Bank of Scotland, has bought £460m worth of commercial mortgage loans from UCB, part of the French-based Compagnie Bancaire. The price paid for the portfolio, which is valued at a multiple of the difference between the interest on the loans and the cost of financing and administering the portfolio, has not been disclosed, but is thought to be approximately £50m. The portfolio consists of just 1,300 loans, ranging from takeaways restaurants to nursing homes, with an average value of £350,000 each, and will double the society's commercial lending book to £920m. Over the past five years Birmingham Midshires has bought 18 mortgage portfolios with a total value of almost £4bn, including £1.35bn worth of loans bought from HYPO-MSL. It will now have a total loan book of £7.6bn, about 85 per cent of it residential mortgages.

Sedgwick links up with Nikols Brichetto

Sedgwick Group is establishing a joint venture which will merge some of its risk services, insurance and reinsurance broking and employee benefits consulting operations with those of Nikols Brichetto Group. The venture, which will be completed before the end of the year, will operate initially from offices in Italy, Spain, Portugal, Argentina, Brazil, Chile and Colombia. Nikols will own 51 per cent of the venture and a representative of the Moratti family, which owns Securifin, will be represented on the board of Sedgwick. Financial details were not disclosed.

Zeneca's schizophrenia drug approved

Zeneca Group has received formal approval from the UK Medicines Control Agency to market Serquel, its own antipsychotic for the treatment of schizophrenia. The approval follows last week's notification from the US Food and Drug Administration of the "approvable" status of Serquel for the American market. Serquel is Zeneca's first entry into the antipsychotic market and continues its expansion into the treatment of central nervous system (CNS) disorders. Zeneca's product range in the CNS therapeutic area includes treatments for migraine, epilepsy, anxiety and depression as well as anaesthetics. In 1996, sales in this area amounted to 16 per cent of Zeneca's total world-wide sales in pharmaceuticals of £2,435bn.

Newport launches hostile bid for Delyn

Newport Holdings launched a hostile, all-share £9.6m takeover bid for the rival Delyn property investment group. The basis of the bid is four new Newport ordinary shares for every three Delyn shares, valuing each of the target's shares at 110p. Delyn's shares climbed 17p to 98.5p. Newport said it believed the acquisition of Delyn would provide a strong platform from which to expand the enlarged group and would provide shareholders with an opportunity to invest in a soundly managed company with a proven record of investment in quality commercial properties let on strong tenant covenants.

The architect of New Labour's economics

Diane Coyle reports on the career of Ed Balls, the most influential adviser on the Chancellor's team

The naming of the first members of Gordon Brown's new Council of Economic Advisers should not distract attention from the fact that the most influential adviser in the Treasury, and the chief architect in the construction of post-Lory Britain's economic policy, is a 30-year-old who, so far in his brief career, has been a student and a *Financial Times* leader writer.

The remarkable influence of Ed Balls stems from the fact that he has imported from America a radically different intellectual current. Mr Balls deserves much of the credit for making over the party's economics in New Labour clothes.

New Labour is not very interested in macroeconomic policy - choosing the right level of government borrowing and interest rates. When the Chancellor says the Government will be responsible about borrowing levels and the inflation target, he means it. The new economics is orthodox about these issues, preferring to tackle the interesting problems where governments can probably achieve something.

This means looking at policies concerned with the "supply side" of the economy - its wealth-creating potential - such as taxes on capital, training, welfare benefits and the structure of the jobs market.

The young Ed's intellectual conversion took place at Harvard six years ago. The child of an academic biologist, his early education at Nottingham High School was followed by a degree in Phi-

'Academics hold Ed Balls in very high regard, and his intellectual credibility has helped the Chancellor'

losophy, Politics and Economics at Keble College, Oxford. He then went on to win a Kennedy Scholarship to study for two years at Harvard University.

Harvard has a strong claim to be the world's most elitist academy, as well as one of its best. And one of the priciest too - its fees are up to \$30,000 (£18,000) a year. Despite the cost, though, it does not quite achieve the same social ex-

clusiveness as Oxford. But it caps even Oxbridge for intellectual arrogance. The assumption that Harvard students are superior is added to the food in the canteens, delivered with the lectures and proven in the job market.

Students are lectured by people who have reached the top of their professional tree, and the best - like Ed Balls - can work closely with academic superstars. In his case it was Lawrence Summers, a 42-year-old economist who is now a senior Clinton administration official.

Academics hold Mr Balls in very high regard, and his intellectual credi-

bility has helped the Chancellor. But some see a catch with the new approach in its vulnerability to fashions, to any new twist that seems to make economic theory fit the latest data better.

One of Larry Summers's senior Harvard colleagues finds the whole approach gimmicky. He says: "You can be too clever by half with this method."

It is a view that is shared by some

commentators in this country. Giving his assessment of the Government's first 100 days, Simon Briscoe, head of research at investment bank Nikko Europe, says: "There has been a focus on good PR at the expense of well thought-out policies."

He finds Labour's economics long on rhetoric and short on action, adding: "We must hope that the Government does not fall for its own rhetoric."

One casualty of the Treasury team's emphasis on the presentation of policies, in which Mr Balls is helped by Gordon Brown's spin-doctor, Charlie Whelan, is civil servant Jill Rutter, the former head

MERCURY COMMUNICATIONS

CABLE & WIRELESS

Time is money. Not necessarily.

Join Mercury's UKLink now and get up to 10 hours of long distance business calls free every month.

If your business spends £30 a month or more on phone calls, you can earn up to 10 hours of calls a month free of charge.

All you have to do is join Mercury's UKLink package. Not only will you earn free calls, you'll also save 39% against BT's basic rate on a

5 minute UK long distance call made between 8am and 6pm weekdays. Call us now and get 10 hours of free calls every month until December.

It doesn't cost anything to talk. FreeCall 0500 100 001.

All calls subject to a 2p connection charge. A subscription fee of £7.50 per quarter applies. Free hours offer is based on call spend (ex. VAT) with UKLink. All charges are exclusive of VAT. This offer is only available to new UKLink customers. All prices and savings correct at time of print (07/97).

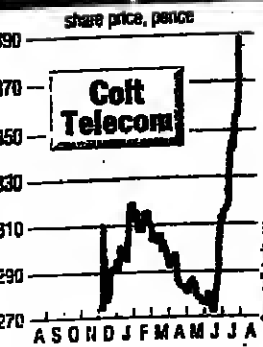
BESP4

market report / shares

Data Bank

FTSE 100	4895.7	-3.6
FTSE 250	4485.0	-3.4
FTSE 350	2346.8	-1.7
SEAQ VOLUME	599.3m shares,	
	48,026 bargains	
Gilts Index	97.01	-0.25

Share spotlight



Holiday market wakes up for HSBC and Pearson

It seemed that market-makers had finally packed their bags for the summer yesterday, after a quiet day's trading which was only enlivened by two sets of dazzling corporate interim results.

Just 600 million shares changed hands across the market and Footsie failed to hold ground the other side of the 4,900 mark that it reached in early trading. It closed 3.6 points down at 4895.7, having touched 4,907.2 at one stage.

Pearson and HSBC Holdings stole most of the limelight, as both impressed with better-than-expected interim profits. Pearson climbed 26.5p after the company's chief executive, Marjorie Scardino, pledged to double its £1bn value within five years.

HSBC added as much as 120p at one time in the day, but the initial excitement wore off towards the close of play and it finished 44.5p better at £22.38.

A handful of financial stocks were dragged along in HSBC's wake. NatWest - which reports results today - climbed 10.5p to 870, and Standard Chartered improved 8.5p to close at £10.01.

But investors seemed to be heeding analysts' warnings that banks could be in line for a sharp correction, as others in the sector were not looking so flush.

Bank of Scotland was among the top Footsie fallers, shedding 15p to 430p. Abbey National also closed 15p poorer at 834.5p, after a feeling in the market that its results last week had not matched up to those of Lloyds and HSBC. Declines in banking stocks in the US and Europe had also unnerved the financial sector, analysts said.

Among other blue chips, Bass added 8p to 842.5p despite JD Wetherspoon's decision to ban alcopops. ICI



MARKET REPORT

CATHY NEWMAN

firmed 5p to £10.20 on reports that a \$400m joint venture in Shanghai had been approved. And despite a bearish note from Société Générale, Rolloy edged up 1p to 237p.

The biggest Footsie loser by far was British Airways, which plummeted by 30p to 610p after the company revealed that strikes by cabin crew would cost £125m in the first half of the year.

Pharmaceuticals, which have been up and down like a yo-yo in recent weeks, were back in the doldrums again after negative press comment over the weekend. Cortec International ended 11p poorer at 151.5p after reports that a

competitor was developing a rival drug for osteoporosis. And despite Zeeva's announcement that its schizophrenia drug, Serquel, had been approved, the company eased 16.5p to £20.02p.

Two drugs minnows did buck the sector's downward trend, though. Shire Pharmaceuticals jumped 8p to 249.5p on news of its £113m acquisition of the US-based Richmond Pharmaceutical Company, and Oxford Molecular firmed 3.5p after its interim results pleasantly surprised analysts.

Water stocks were also on the slide yesterday, as traders continued to fret about the Government's decision at the

end of last week to refer Pacific Corp's bid for Energy Group to the Monopolies and Mergers Commission. A bearish note from HSBC James Capel did not help matters, and analysts said investors were taking profits after a good run for the sector. Thames Water finished 9p off at 776.5p; Wessex Water dropped 16.5p to 462.5p; and Anglian Water joined the slippery slope, shedding 19.5p to 771.5p.

Among the second-liners, Telewest Communications was one of the best performers, after confirmation that it was in preliminary merger talks with NTL, the US cable company. Telewest added 4p to 83p.

While Telewest was on the rise, Flextech, the cable and satellite programme supplier, was floundering after a press report that its chief executive, Roger Luard, was to leave the company. Flextech issued a statement denying the story,

but it nevertheless ended 17p poorer at 636p.

Investors were also keen on Amersham International, which is shortly to announce the completion of the fusion of its biotechnology division with Pharmacia & Upjohn. The company has also increased its clout recently with the £1.8bn merger with Norway's Nycopmed. Amersham rose 57.5p to £19.82.

Elsewhere, a sharp increase in pre-tax profits at Filtronic Cosmetics sent shares soaring 19p to 394p, buoyed by optimistic noises from Kleinwort Benson, Merrill Lynch, and its own house broker, Panmure Gordon. And an "add" note from NatWest nudged More Group up 2p to 593.5p.

Viglen, the personal computer company spun off from Amstrad, made its debut yesterday, placed at 72.5p. But it lost ground during the day, and closed 8p down at 64.5p.

Taking Stock

Regent Inns called time on its investment in Surrey Free Inns, selling its 5.5 per cent holding in the AIM-listed company for 465p a share. Regent, which jumped 13.5p to close at 278.5p, made £1.55m on the sale, and said it would use the cash to fund its expansion plans. Surrey Free Inns, which many industry observers had expected to become a bid target for Regent, lost 5p to 469p.

Colt Telecommunications surged 21p to an all-time high of 388.5p, on news that it had signed an interconnect agreement with France Telecom. The company, which is expected to complete a similar deal in Germany within a month, announces second-quarter results next week. Dealers said heavy buying on Friday in the US - where Colt is quoted on Nasdaq - had also helped.

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details: Ex rights = Ex dividend; Ex all = Ex all United Securities Market's suspended up. Fully Paid = Full Paid Shares; = AIM Stock

The Independent Index

The index allows you to access real-time share prices by phone from London Stock Exchange. Simply dial 0891 23333, and when prompted to do so, enter the 4-digit code printed next to each share. To access the latest financial reports dial 0891 2333 followed by one of the two-digit codes below.

FTSE 100 - Real-time	01	Starting Rates	04	Privatisation Issues	36
UK Stock Market Report	02	Bullion Report	05	Water Shares	39
UK Company News	03	Wall St Report	20	Electricity Shares	40
Foreign Exchange	04	Tokyo Market	21	High Street Banks	41

Anyone with a time-dial telephone can use this service. For a detailed description of the Independent Index, including the 4-digit code, phone 0891 23333.

Market leaders: Top 20 volumes

Stock	Vol/1000	Stock	Vol/1000	Stock	Vol/1000	Stock	Vol/1000
Shell Transport	230000	British Steel	95000	Tele & Life	80000	Rollback	50000
BT	120000	British Airways	70000	HSBC (2p share)	60000	HSBC	50000
BT	120000	British Airways	70000	HSBC (2p share)	60000	HSBC	50000
BT	120000	British Airways	70000	HSBC (2p share)	60000	HSBC	50000
BT	120000	British Airways	70000	HSBC (2p share)	60000	HSBC	50000

FTSE 100 Index hour by hour

Open 4895.7 down 2.5	11.00 4905.0 up 5.7	14.00 4887.0 down 11.5
09.00 4895.5 down 18.5	12.00 4895.3 down 3.0	15.00 4895.9 down 0.4
10.00 4894.8 down 4.7	13.00 4900.0 up 0.7	CLOSE 4895.7 down 3.6

first direct
"I bank when I want because First Direct is always open"

for 24 hour telephone banking
0800 24 24 24

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF. First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98 2NF.

First Direct is a division of Midland Bank plc. First Direct reserves the right to decline to open an account for you. Calls may be monitored and/or recorded. Applicants must be 18 or over.

Member HSBC Group

quote ref: BB501

For full written details of our services write to First Direct, Freeport, Leeds LS98

Takeover talks at Country Casuals fall through

Andrew Yates

The fortunes of the troubled Country Casuals women's clothes retailer took another turn yesterday when the company admitted that takeover talks with a rival, believed to be the Alexon womenswear group, had fallen through and sent the share price into a spin.

The group, which has been the subject of numerous bid approaches over the past few years, now plans to remain independent. However, the announcement opens the door for Mark Bunce, a founder and former chief executive of the company, to relaunch a bid for the group.

Tom Adam, chairman of Country Casuals, indicated that the offer for the group was simply pitched too low.

"Our principal shareholders felt that our company was worth more," he said.

Country Casuals is not in talks with Mr Bunce at the moment but Mr Adam did not rule out future takeover discussions.

Talks with Mr Bunce, who owns nearly 11 per cent of the company, collapsed in June when he failed to come up with a definite offer for the business and other groups indicated their interest in the company.

Mr Bunce and his wife Christina, a fellow founder of Country Casuals, left the group in June, having earlier resigned from the board after rejecting Country Casuals' plans to sell Elvi and Lerose, two loss-making subsidiaries, to management buyout teams. Mr Adam confirmed that Mr and Mrs Bunce had received compensation on leaving the group but declined to reveal how much they were paid.

Analysts speculate that Mr Bunce would have to offer more than 140p a share for the group. That is the price that former chairman John Shannon was willing to pay for the company when he launched an unsuccessful £27m hostile bid two years ago. But some observers

believe Mr Bunce may have difficulty in raising the sort of capital required to secure a takeover.

Mr Bunce was unavailable for comment yesterday.

Country Casuals will be left to concentrate on its core retail brand, which has had a chequered history in the past few years. Operating profits from this division fell from more than £3.5m in 1995 to £3.1m in the year to last January. "We didn't provide clothes that our customers wanted. We got it wrong. But we are confident about this year. Our new ranges have been well received," said Mr Adam yesterday. The company announced that like-for-like sales for the first six months to 26 July were running ahead 8 per cent on last year.

Country Casuals has been a poor performer since it was floated at 130p a share in 1992. Its share price slumped 20p to 113.5p on yesterday's news, valuing the group at less than £22m.

Silver Shield buys 80% stake in Swansea for £100

Swansea City is to become the latest football club to join the stock market, alongside the likes of Manchester United, Newcastle, Sunderland, and Aston Villa.

Silver Shield Group, the Coventry-based replacement windscreen company, announced yesterday it had signed a deal to buy 80 per cent of the club for just £100 and take over some £1.4m worth of debts.

Doug Sharpe, Swansea's chairman, has agreed to sell the stake through his holding company, Enterline, and will resign from the club's board after the deal goes through.

Rohin Sharpe, chief executive, will stay on the board, joined by Neil McClure, Silver Shield's chairman.

Apart from the £100 purchase price for the stake, Silver Shield is paying £449,900 to take over loans and interest of £1.4m owed to another of Mr Sharpe's companies, Silver Shield is also paying £25,000 to cover loans to the club from Mal Griffiths, one of the directors.

To fund the deal Silver Shield, which came to the stock market in spring 1996, is raising £400,000 by issuing 11.4 million new shares at 3.5p each. The group's share price slipped yesterday from 4p to 3.75p on news of the proposed acquisition and the accompanying rights issue. One of Mr Sharpe's



Doug Sharpe: Will resign after the deal goes through

companies will pay £50,000 for 1.4 million shares, which it cannot sell for a year.

Swansea City, which is managed by the ex-Liverpool midfielder, Jan Molby, plays in the third division of the Football League and narrowly missed promotion at the end of last season following a play-off at Wembley.

Mr McClure said he was attracted by the chance to build

an all-seat stadium and leisure complex close to the centre of Swansea which would provide added income for investors.

Mr McClure said he hoped negotiations on the stadium would be concluded in up to eight weeks. He explained: "We have been looking for some time for opportunities to acquire valuable assets at reasonable prices to add to our Silver Shield Screen subsidiary."

Company Results

	Turnover £	Pre-tax £	EPS	Dividend
BA (R)	2,220m (2,100m)	220m (190m)	15.3p (11.9p)	-
Britannia Cattle (F)	48.0m (33.5m)	4.1m (2.2m)	6.82p (6.59p)	1.25p (1.0p)
HSBC (I)	-	2,820m (2,320m)	65.33p (60.14p)	20p (15p)
Midway Securities (F)	-	4.16m (2.94m)	15.1p (8.2p)	6.3p (5.8p)
New London Capital (F)	-	6.52m (3.85m)	6.8p (4.84p)	6.0p (5.0p)
Oxford Business (R)	1,000 (-)	-1.25m (-)	-2.3p (-)	-
Oxford Business (I)	6.17m (4.35m)	477,000 (480,000)	-1.1p (-1.7p)	-
Pearson (I)	957.5m (939.6m)	80.7m (30.2m)	11.1p (2.8p)	7.5p (+)
Telecom (I)	12,000m (10,500m)	4,025m (3,033m)	7.8p (5.8p)	2.2p (2.0p)

(F) - First (I) - Interim (R) - Nine months

From only £20 more than a normal BT phone line, installing a BT ISDN line can bring you the future's technology today.

Why not change the way we work?

BT

Call Freefone 0800 800 800

OFFER ENDS 12.10.97 ON LINES INSTALLED BY 3.11.97. FOR EXAMPLE, CONNECTION TO BT'S ISDN START-UP PACKAGE COSTS JUST £119.00 (EX VAT), QUARTERLY LINE RENTAL £133.75 (EX VAT), INCLUSIVE CALL ALLOWANCE OF £105 PA, MINIMUM CONTRACT PERIOD 2 YEARS.

Scardino's grand vision is blurry

THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

Majorie Scardino, Pearson's new chief executive, has outlined her grand vision for the future. She wants to achieve double-digit earnings per share growth every year and to double the value of the company over the next five years, no less. That looks easier said than done.

For a start, despite years of reshaping, Pearson remains a sprawling conglomerate spanning leisure businesses such as Madame Tussauds and Alton Towers, a plethora of TV and publishing interests and even an investment bank, Lazards. The synergies between these businesses appear few and far between and Pearson continues to be run more like a quasi-investment trust than an actively managed company.

Ms Scardino's answer is to overhaul Pearson's structure and integrate the remaining businesses. But specific plans are thin on the ground. Businesses will go, although she will not say which ones, and acquisitions are on the cards, although she will not say where. Ms Scardino will also have her work cut out to address Pearson's poor margins. In all of its three main divisions, information, education and entertainment, Pearson's margins are at least five percentage points below its peers.

That said, Ms Scardino has got off to an encouraging start. Pre-tax profits for the six months to June have jumped from £30m to £81m. The figures were muddled by £18.6m worth of write-offs last year at Pearson's troubled US software business, and this year by start-up losses at Channel 5, in which Pearson has a 24 per cent stake, and a £5.9m hit from the strong pound.

Even so, underlying operating profits almost doubled to £65.5m from £33.5m, thanks to a strong performance from the Financial Times. The pink paper's circulation is up and it plans to capture a chunk of the US market.

Of course Pearson still has more than its fair share of problem businesses. Mindscape, its most disastrous acquisition of recent years, is still losing money hand over fist and a fraud unearthed this year at Penguin's US publishing division will cost £100m. However both these potential disasters appear to be under control. Mindscape could make a profit in the second half and Penguin's new management has swung into action to limit damage.

Ms Scardino's confident statement helped push the shares up 26.5p to 692.5p yesterday. Analysts forecast current year profits of around £300m, putting the shares on a prospective p/e

ratio of 19. It is difficult to value Pearson until more of Ms Scardino's plans are known. If Pearson can meet her targets, the shares look cheap. But until her new strategy becomes clearer the shares remain fairly priced for now.

Shire focuses on buying Richwood

Shire Pharmaceuticals chief executive Rolf Stahl is not one to let the grass grow under his feet. Less than six months after forking out up to \$100m (£62m) for the acquisition of Pharmavene, a US drug development company, Shire is proposing to pay as much as \$180m for Richwood Pharmaceutical, another US pharmaceuticals group, whose main products are "treatments" for unruly children.

Richwood has built an impressive record on the strength of DextroStat and Adderall, its two drugs for so-called attention deficit hyperactivity disorder.

In the space of three years, the group has turned pre-tax losses of \$873,000

on sales of just \$3.74m into profits of \$1.7m on sales which have ballooned to \$15.3m in the latest full-year to December.

The figures have been transformed by last year's launch of Adderall, which in the space of 15 months has captured 5 per cent of a \$457m market in the US.

Along with DextroStat, Richwood claims to have won 7 per cent of the market in the first five months of this year, partly, it would appear, at the expense of Medeva's generic drug methylphenidate.

Richwood's sales should hit \$40m this year, with profits, already warned at \$7.5m for the latest half year, set to soar accordingly. Even though market growth has slowed to around a third of the 20 to 30 per cent typical of the recent past, owning the fastest-growing drug in the category clearly has exciting potential.

But it is not without its risks. Treating a behavioural problem with drugs remains controversial and, because their old patents have expired, Richwood's products are potentially exposed to competition.

Shire has convincing answers to these questions, while Richwood's 65-

strong salesforce will be useful for selling Pharmavene's products and will bring useful cash flow and earnings.

Even if competition means Richwood's sales will peak by 2000, Lehman Brothers reckons Shire could be boasting profits of £11m this year and puts an underlying value of 400p on the shares. Up 8p at 249.5p, they are good value.

Market ready to forgive Filtronic

Filtronic Comtek, a maker of hi-tech parts for mobile telephones, well illustrates the dangers of investing in small companies. After a storming first year on the stock market, the company's heavy reliance on one customer, namely Motorola of the US, sent the company and its shares into a flat spin.

The problem centred on the code division multiple access technology on which Motorola has based its latest generation of digital mobile telephones. First technical hitches and now financing problems have slowed adoption of the technology in the huge US market. Given that over half Filtronic's sales are made to Motorola, it was hardly surprising the delay should lead to two profits warnings last year and an absence of first-half profits. Since then the group has gone on to lose its new chief executive, Greg Hey-Shipton.

But the market seems to be in a mood to forgive and forget, marking the shares up 19p to 394p yesterday after Filtronic unveiled pre-tax profits up a quarter to £4.06m for the year to May.

The figures were in line with analysts' reduced expectations, but more importantly, the company remains bullish about the future. Orders have nearly doubled over the year to £24.7m and have since risen to £37m, nearly 80 per cent of last year's sales. Forecasts suggest the number of mobile phone chatters could rise by 2.5 times to 500 million by 2002, yet analysts reckon Filtronic still has a lowly 6 to 7 per cent of its addressable market of around \$1bn.

The group is gearing up to meet demand with a massive expansion of production in the UK, but claims gearing should not rise above the year-end figure of 45 per cent. Even so, the shares are high enough on a forward p/e of 25, assuming £10.5m profits this year.

Galaxy chief ousted without payoff

Clifford German

The chief executive of Galaxy Media Corporation has been ousted after a change of strategy brought about since the appointment of Robert Stigwood, the impresario, as non-executive chairman a couple of months ago.

John Webber, who only became the executive head of the television programme maker and entertainment business last October, is not receiving any compensation for loss of office.

His departure was the result of a significant shift in the company's planned future development, said Christopher Moran, the company's vice-chairman, leading shareholder, and the well-known former Lloyd's name.

Mr Stigwood, a long-standing friend of Mr Moran, also stands to become a significant shareholder after having been granted options over 350,000 shares. The company has 3.5 million shares in issue, and exercise of the options would give Mr Stigwood a 9 per cent stake in the company.

Galaxy said it would concentrate on its interests in film, TV, music and stage promotions, and added that the business of managing sports events and artists which Mr Webber brought into the company when he joined Galaxy would be retained.

Mr Webber, a former vice-chairman of Mark McCormack's International Management Group, injected his own BM International business interests and bought 150,000 shares at 135p when he joined the company last year.

The share price closed unchanged at 160p on the Seal market yesterday, valuing the company, which has yet to make a profit, at around £5.6m.

Galaxy paid Mr Webber, who did not have a contract entitling him to compensation, a consultancy fee of £25,000 a year and a profit-related bonus which lapses with his departure. Mr Webber went on holiday last Friday and his future plans are unknown, according to his spokeswoman yesterday.

Galaxy was created from a reverse takeover of CSC Investment Trust by Mike Mansfield Television less than two years ago. Mr Moran own about 29 per cent of the company, Mr Mansfield about 15 per cent.

HSBC Holdings plc

1997 Interim Results

Comment by Sir William Purves, HSBC Group Chairman

"I am pleased to report that in the first half of 1997 HSBC Holdings continued to generate a strong return on shareholders' funds, producing attributable profit of £1,757 million, 11 per cent ahead of the comparable figure in 1996, despite the adverse exchange rate translation impact of stronger sterling. Our capital strength enabled us to make major investments while maintaining dividend growth."

"Our Board of Directors has declared a first interim dividend of 20 pence per share, an increase of 33 per cent compared with 15 pence declared in 1996."

"Operating profit rose by 19 per cent to £2,402 million mainly as a result of asset growth in Asia, the United Kingdom and North America which more than compensated for the pressure on lending margins. Credit quality remained high and cost discipline was maintained."

"We believe that the investments made in the first half of 1997, many of which were explained in our 1996 Annual Report and Accounts, will broaden the Group's platform for growth into the next century."

"The smooth transition of Hong Kong to a Special Administrative Region of the People's Republic of China at midnight on 30 June was an important milestone. Our confidence remains high in the economic strength of the Hong Kong SAR, in its role as a financial centre and in our position within the Hong Kong financial community."

"I am confident that our committed employees, capital strength, continuing technological development and cost vigilance will enable us to meet the challenges of increasing competition and very rapid changes in our markets and turn these into benefits for our customers and shareholders around the world."

Half-year to	30 June 1997	30 June 1996
Profit before tax	£2,623m	£2,321m
Profit attributable to shareholders	£1,757m	£1,586m
Earnings per share	65.93p	60.14p
Dividends per share	20.00p	15.00p
Capital resources	£24,504m	£23,403m

First half 1997 over first half 1996

- Pre-tax profit up 13% and attributable profit up 11%
- Pre-tax profit up 21% and attributable profit up 19% in Hong Kong dollars
- Earnings per share up 10%
- Dividends per share up 33%
- Total capital ratio 14.2% and tier 1 capital ratio 9.4%

The 1997 Interim Report will be sent to shareholders on Friday, 15 August 1997 and copies may be obtained from Group Public Affairs at the address below.

Incorporated in England with limited liability
Registered in England: number 617987
Registered Office and Group Head Office: 10 Lower Thames Street, London EC3R 6AE, United Kingdom
Web: www.hsbcgroup.com

Wall Street is heading for a different kind of crash

Since the beginning of 1995 share prices on Wall Street have more than doubled while the UK equity market has risen 60 per cent. The only previous times Wall Street had risen so far so rapidly were in the mega-bull markets of 1927-1929 and 1985-1987. The chart shows the striking similarity between the three periods. Both of the earlier episodes ended in disaster for investors, particularly the 1927-29 bull market, following which share prices eventually halved. While there is a significant risk that history repeats itself again and Wall Street takes a tumble before the year-end, this bull market is not characterised by a bubble in equity valuations in the same way as before.

Judged in isolation the US stock market is now just as fundamentally expensive, and hence, in just as dangerous territory, as during the two previous mega-bull phases, if not more so. In relation to any form of absolute shareholder value - dividends, earnings, cash flow, book value - share prices are as high or higher than they were just before the October 1987 crash. However, in both 1929 and 1987, the distortion in US and UK equity prices could be seen most clearly in the relationship between long-term interest rates or bond yields and equity valuations. This is not the case this time around.

Superficially, the current bond yield to dividend yield relationship in the US does appear to be in dangerous territory. However, relative valuations appear neutral if account is taken of the decline in the pay-out ratio in the US to a record low. In the UK, too, relative equity-bond valuation measures remain firmly in neutral territory, with a yield ratio of 1.2 times compared to 1.3 times just before the 1987 crash.

It may be, therefore, that current equity valuations are justified by today's lower interest rates. When rates come down the return on keeping money in the bank falls. In these circumstances investors should value a given level of future earnings more highly.

Bond yields may be thought of as having two components: an element which is necessary to compensate investors for what they think inflation is going to be; and the real interest

The markets may have taken low inflation into account but Mark Brown and Gareth Williams warn a reduction in growth rates could cause problems

rate. Arguably, equities should be more concerned with real interest rates because higher prices should partially feed through into higher profits and dividends. Empirical research confirms that this is the case.

This brings us to possibly the main distortion in global financial markets at the present time. Real bond yields have recently fallen below the levels seen in late 1993 to their lowest level since the 1970s. This owes much to the situation in Japan, where real bond yields have tumbled from around 5 per cent at the start of the decade to under 1 per cent currently, although real yields outside Japan have fallen in equally dramatic fashion recently.

Sub-normal rates in Japan reflect its lack of appetite or inability to spend. In effect, Japan's excess savings are financing the rest of the world's financial markets, both bonds and equities. In this way, the current climate resembles that prevalent in the run-up to the bond-market crash of February 1994, when inflation risks were relatively low. A synchronised pick-up in economic activity, or expectations thereof, would soak up excessive liquidity and cause real yields to rise. This would cause problems for equities even if it were not accompanied by a pick-up in inflation.

As for inflation, the process of economic and technological change in the 1990s has been inherently disinflationary. Costs have been stripped out of all stages of the pro-

duction process. Products and services are increasingly manufactured and sold on a world-wide basis, with the result that the competitive pressure to keep prices down has intensified. These changes have come on the back of 1980s measures to weaken the power of workers. The waves of global mergers and alliances currently taking place in the financial services, telecommunications, transport and defence sectors are a response to these trends. New technology too has played its part. Greenspan's Humphrey-Hawkins testimony discussed at length the impact on US productivity caused by computer and telecommunications technology, which may now have matured enough to genuinely add value. In as much as these productivity and margin gains are real and permanent, the rise of the US equity market in response is rational.

The other great sea change in the 1990s has been the change in the conduct of fiscal and monetary policy. Both the US and Europe have tightened fiscal policy. In the US, politicians seem intent on balancing the budget. The single-currency project has had a similar effect in Europe. This has reduced the supply of debt and, hence, both real yields and inflation expectations. The latter effect has been strengthened by the growing influence and independence of central banks.

However, even if markets are right to believe in low inflation and

low real yields, it is less clear that they have factored in the concomitant reduction in long-run growth rates. When nominal growth in the economy is only 3-6 per cent it is asking a lot of technology-inspired productivity improvements to produce the 10-15 per cent earnings growth required to satisfy current consensus expectations. This is particularly so when labour-cost pressures are rising, albeit modestly.

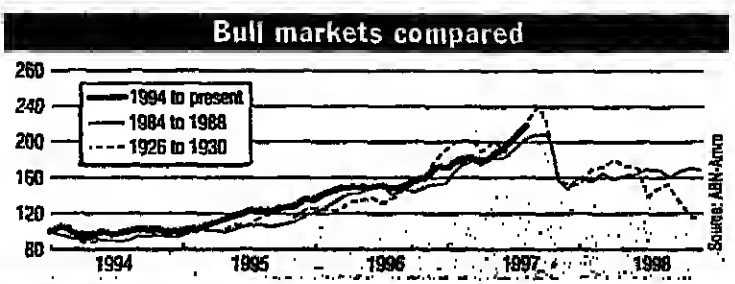
It should also be noted that technological change is a negative for those companies whose capital is rendered obsolete as a result. This may be why, despite all the technical progress, there is little evidence of any productivity revolution in the official data. It is also the case that the recent performance in US profits can still be explained by a pretty standard cyclical rise in profit share and margins.

One does not have to rely on airy-fairy theories about productivity miracles. In this respect the current bull case in the US certainly echoes that in the UK in 1987 when share valuations were justified on the basis of a significant improvement in potential economic growth which failed to materialise.

This cautious view on earnings would carry even more weight if standard earnings estimates in the US are not fully capturing the dilutive effect of the growing use of share options in employee remuneration - which is probably the case. In this way US companies are simply storing up problems for the future.

Unlike 1929 and 1987, current US equity ratings may be justified by the current low level of bond yields, particularly in real terms. Nevertheless, while markets may have correctly taken on board the implications of low inflation, it is less clear that they have factored in the concomitant reduction in long-run growth rates. A crash of previous proportions would require the double whammy of a rise in real bond yields from their current historic low together with a knock to growth expectations. A very possible, if not probable, combination.

Mark Brown and Gareth Williams are equity strategists at ABN-Amro Hoare Govett.



Tennis anyone? City clears out for the summer holidays

PEOPLE & BUSINESS



Gordon Brown: Will pound the asphalt at Cape Cod

The summer holidays are here and Gordon Brown is off to play tennis in Cape Cod, the exclusive New England resort for New Labour people. While everyone in the City packs their buckets and spades, Eddie George will be forgetting about interest rates for a bit by going walking in the Rockies. This follows a successful walking trip to the Himalayas last year by the 80-cigarettes-a-day Governor. An excellent opportunity to breathe some clear air.

Incidentally, I hear Mr George has a funk to follow him around drinks parties to make sure a clean ashtray is on hand wherever he wanders. Isn't it time he gave up the demon weed?

Anyway, Mervyn King, deputy governor of the Old Lady, also plays tennis, but it is not known whether he will be playing Mr Brown this summer. Tuscany is, of course, the favoured destination for the political masters of the European Union. Tony Blair and his counterparts, Romano Prodi of Italy and Lionel Jospin of France, are likely to bump into each other for a quick *penne all'arrabbiata* in a hill town somewhere near Siena. Helmut Kohl prefers to stick to the Austrian Alps, I hear.

Some people have had their holes and are back at their desks - such as BZW's Attila the Brun, Bill Harrison, who returned from safari a couple of weeks back.

Mr Harrison hasn't been idle. He's just hired Nagnib Kheraj from Robert Fleming to be BZW's chief administrative officer. Mr Kheraj, a ludicrously precocious 33, spent 10 years with Salomon Brothers before joining Fleming, where he narrowly missed Mr Harrison during the latter's stint there. The Dulwich College and Cambridge-educated Mr Kheraj will report to Mr Harrison on functions including IT, human resources and finance. Mr Harrison has also poached Nick Kelly from UBS to be human resources director of BZW.

Marjorie Scardino, chief executive of Pearson, discovered this week that owning a TV studio can be a double-edged sword. She

Ms Scardino's comments had to vie with the screening yesterday of some climactic moments in Grumpy TV, one of the stations owned by Pearson. One such epic moment included the wedding of Scott and Charlene in *Neighbours*, played by Kylie Minogue and Jason Donovan, as well as a dodgy German version of another soap, *Sons and Daughters*. It's all a long way away from Ms Scardino's original foothold in the Pearson empire at *The Economist*.

Mind you, everything seems to be televised these days. I hear Mervyn King will present the Bank of England's inflation report next month with a TV camera crew on hand.

Birmingham City Football Club has appointed David Gold as chairman following the retirement of Jack Wiseman. Mr Wiseman will take up the non-executive role of vice-chairman and will continue to be actively involved with the club.

Mr Gold and his brother, Ralph, own a big chunk of the club and have built quite a business empire since emerging from the East End of London. They recently launched their own executive airline based at Biggin Hill, the old Battle of Britain aerodrome, in Kent. They are thought to be worth well over £200m.

Rio Tinto has appointed two new non-executive directors, and they're both card-carrying members of the great and the good. Sir Richard Sykes, chairman and chief executive of Glaxo Wellcome, and Lord Tugendhat, chairman of Abbey National. Lord Tugendhat is famous for knowing virtually everyone that matters, having been an MP, a big cheese at the Civil Aviation Authority and a grand *franchise* in the European Union. Most impressive, I think, is the fact that he wrote a book in 1986 entitled *Making Sense of Europe*. If only someone would.

John Willcock

Foreign Exchange Rates

Country	Spot	1 month	3 months	6 months	1 year
US	1.6309	20.16	62.59	100.00	100.00
Canada	2.3496	71.66	209.20	157.94	32.31
Germany	3.3398	97.90	288.27	195.63	17.16
France	6.5522	240.30	699.88	478.13	39.34
Italy	2.9754	82.14	19.07	82.04	74.79
Japan	162.80	104.100	307.302	18.21	52.51
Spain	163.93	105.91	109.70	10.96	46.47
Belgium	62.74	21.15	59.51	38.40	76.74
Denmark	115.34	340.200	1010.900	710.27	18.15
Netherlands	1.2386	106.39	319.34	210.93	12.87
Sweden	1.2386	106.39	319.34	210.93	12.87
Norway	123.35	360.20	950.880	762.62	14.72
Switzerland	2.2480	114.105	343.328	152.52	54.53
Australia	2.2480	114.105	343.328	152.52	54.53
South Africa	2.2480	114.105	343.328	152.52	54.53
India	2.2480	114.105	343.328	152.52	54.53
Singapore	2.2480	114.105	343.328	152.52	54.53

Other Spot Rates

Country	Sterling	Dollar
Argentina	1.6311	0.0096
Brazil	2.3496	0.0096
Canada	1.6311	0.0096
France	6.5522	0.0096
Germany	3.3398	0.0096
Italy	2.9754	0.0096
Japan	162.80	0.0096
Spain	163.93	0.0096
Sweden	1.2386	0.0096
Switzerland	2.2480	0.0096
USA	1.6311	0.0096

Forward rates quoted high to low are as a discount; rates quoted low to high are at a premium. Dollar rates quoted as reciprocals. For the latest foreign exchange rates call 0891 123 3038. Cuts cost 50p per minute.

Interest Rates

Country	Rate	Rate	Rate	Rate	Rate
UK	6.75%	6.75%	6.75%	6.75%	6.75%
Germany	5.50%	5.50%	5.50%	5.50%	5.50%
France	6.25%	6.25%	6.25%	6.25%	6.25%
Italy	6.25%	6.25%	6.25%	6.25%	6.25%
Japan	5.50%	5.50%	5.50%	5.50%	5.50%
Spain	6.25%	6.25%	6.25%	6.25%	6.25%
Sweden	6.25%	6.25%	6.25%	6.25%	6.25%
Switzerland	6.25%	6.25%	6.25%	6.25%	6.25%
Australia	6.25%	6.25%	6.25%	6.25%	6.25%
South Africa	6.25%	6.25%	6.25%	6.25%	6.25%
India	6.25%	6.25%	6.25%	6.25%	6.25%
Singapore	6.25%	6.25%	6.25%	6.25%	6.25%

Bond Yields

Country	5yr yield %	10yr yield %	Country	5yr yield %	10yr yield %
UK	7.0%	7.0%	Germany	5.5%	5.5%
France	6.2%	6.2%	Italy	6.2%	6.2%
Japan	5.5%	5.5%	Spain	6.2%	6.2%
Sweden	6.2%	6.2%	Switzerland	6.2%	6.2%
Australia	6.2%	6.2%	South Africa	6.2%	6.2%
India	6.2%	6.2%	Singapore	6.2%	6.2%

Money Market Rates

Market	Rate	Rate	Rate	Rate	Rate
UK	6.75%	6.75%	6.75%	6.75%	6.75%
Germany	5.50%	5.50%	5.50%	5.50%	5.50%
France	6.25%	6.25%	6.25%	6.25%	6.25%
Italy	6.25%	6.25%	6.25%	6.25%	6.25%
Japan	5.50%	5.50%	5.50%	5.50%	5.50%
Spain	6.25%	6.25%	6.25%	6.25%	6.25%
Sweden	6.25%	6.25%	6.25%	6.25%	6.25%
Switzerland	6.25%	6.25%	6.25%	6.25%	6.25%
Australia	6.25%	6.25%	6.25%	6.25%	6.25%
South Africa	6.25%	6.25%	6.25%	6.25%	6.25%
India	6.25%	6.25%	6.25%	6.25%	6.25%
Singapore	6.25%	6.25%	6.25%	6.25%	6.25%

Tourist Rates

Country	Rate	Rate	Rate	Rate	Rate
UK	6.75%	6.75%	6.75%	6.75%	6.75%
Germany	5.50%	5.50%	5.50%	5.50%	5.50%
France	6.25%	6.25%	6.25%	6.25%	6.25%
Italy	6.25%	6.25%	6.25%	6.25%	6.25%
Japan	5.50%	5.50%	5.50%	5.50%	5.50%
Spain	6.25%	6.25%	6.25%	6.25%	6.25%
Sweden	6.25%	6.25%	6.25%	6.25%	6.25%
Switzerland	6.25%	6.25%	6.25%	6.25%	6.25%
Australia	6.25%	6.25%	6.25%	6.25%	6.25%
South Africa	6.25%	6.25%	6.25%	6.25%	6.25%
India	6.25%	6.25%	6.25%	6.25%	6.25%
Singapore	6.25%	6.25%	6.25%	6.25%	6.25%

Life Financial Futures

Contract	Settlement	High/Low	Est. Conts	Open Interest
Long Gt	114.21	114.28	114.17	51339
Short Gt	114.21	114.28	114.17	51339
Long Gt	114.21	114.28	114.17	51339
Short Gt	114.21	114.28	114.17	51339
Long Gt	114.21	114.28	114.17	51339
Short Gt	114.21	114.28	114.17	51339
Long Gt	114.21	114.28	114.17	51339
Short Gt	114.21	114.28	114.17	51339
Long Gt	114.21	114.28	114.17	51339
Short Gt	114.21	114.28	114.17	51339

Life FTSE 100 Index Option

by Daps	6% ¹	6% ²	6%	6% ³
est Daps	6% ⁴	6% ⁵	-	6% ⁶
(Buy)	-	-	6% ⁷	6% ⁸
-	-	-	5.42	5.47
step	-	-	4% ⁹	4% ¹⁰

Rates			
	£ Buys		£ E
(ers)	2.1250	France(France)	8.8170
(ngal)	20.5100	Germany(Marks)	2.9170
(ng)	60.2000	Germany(Denmark)	4% ¹¹ 5.000

sport



COUNTDOWN TO THE 1997-98 FOOTBALL SEASON

Youthful Watson prepares for his senior service

"Tyneside in turmoil before Champions' League debut," screamed one of the morning headlines. Steve Watson could not help the wry smile as he pulled on his boots for training.

The afternoon he became the youngest first-teamer in Newcastle United's history, the Magpies stooped to 19th place in the old Second Division. Their share offer was falling some £7m short of its £8m target and Jim Smith, the old Beld Eagle, was hanging on to the manager's job by his claws.

"Things have changed a bit since then," Watson mused as he scanned the line-up from the November day in 1990 when he made his debut as a 16-year-old substitute at Molineux.

Rather than fretting over the form and fitness of Wayne Fereday, Darren Bradshaw and Scott Sloan and whether the next season would bring trips to Darlington and Hartlepool, turmoil for Newcastle's manager these days means working towards a European Cup tie with the inconvenience of having the world's most expensive player on the injured list.

"The last few seasons we've built up expectations so high,"

Watson acknowledged. "And a blow like Alan being injured has rocked everybody because he's the best striker in the country."

Watson would not dispute that Alan Shearer is also the best striker nurtured by Wallsend Boys' Club, although he happens to be one himself.

It was as a centre-forward that he joined Newcastle on YTS forms and his curriculum vitae includes not so much leading the line as being the line in a European tie. "The lone forager," he recalled of his role as Andy Cole's emergency stand-in in the Basque cauldron of Athletic Bilbao's San Mamés stadium three years ago.

Watson, however, will not be offering his services as a temporary replacement for Shearer when Croatia Zagreb visit Tyneside for the opening leg of Newcastle's Champions' League qualifying tie next Wednesday night.

At the grand old age of 23, the veteran St James' Park servant (only Steve Howey has been on the books longer) hopes his days as the ultimate jack-of-all football trades are finally over.

Watson broke into the first team as an attacking midfielder

Simon Turnbull talks to Newcastle's long-serving defender who believes the picture at St James' Park is not as black and white as it is painted

and won his 12 England Under-21 caps as a right-back. He has, in fact, played in every outfield position for his home club. And there are those in the Newcastle dressing-room who reckon he qualifies as having kept goal too, citing a diving save that stopped a Tony Doris shot but conceded a penalty to Leeds at St James' three years ago.

"Actually," Watson said, "I was a goalkeeper with the Wallsend district team at school. I can remember we got hammered by Newcastle schools in one game. They had Robbie Elliott and Lee Clark in their side."

"I was a centre-forward when I signed for Newcastle United but I didn't play many games for the youth team up front. They played me at centre-half virtually straight away and six years and about eight different positions later, I've ended up at centre-half again. I really do enjoy playing there. I felt very comfortable there at the end of last season."

Such a scenario seemed unlikely in the extreme in the early days of his working life under his third manager, Kevin Ke-

gan's opinion of him turned full circle in the 90 minutes of a home match against Tranmere in April 1992.

"I said to Stevie in the dressing-room: 'You're playing full-back against Pal Nevins today'," Keegan recalled. "Just show him inside because he'll want to go outside you."

"After five minutes he just let Nevins go inside him, Nevins crossed the ball and they were 1-0 up. After 10 minutes he did the same thing. He thought I meant let him go inside rather than just make him try to go inside instead of down the wing."

"We came in 2-1 down at half-time and I said to him: 'Get your boots off. Get in the shower. You'll never play full-back for me again'."

"He went in the shower and the physio came to me and said someone was injured. So I went in the shower and said: 'Right, come on, get your boots on. Get back out and play'. Stevie just said: 'Great'. He put his boots back on and went out and played like a full-back."

Keegan came to value Watson's talent, and to utilise his remarkable versatility to the full. "A very mature player and a

great athlete," was the ultimate Keegan verdict. "I never saw Duncan Edwards play, but people in the game keep telling me he reminds them of him."

Dalglish was so struck by Watson's maturity the first time he saw him in action - on a scouting trip to watch Brighton, Liverpool's forthcoming FA Cup opponents, in January 1991 - he laughed at those who insisted the midfielder running the show was a 16-year-old trainee.

Six years later, Dalglish has a man's job in mind for the experienced pro who earned £29 a week for his child-star duties, which included cleaning the boots of Archie Gourlay and Neil Simpson.

A new batch of recruits have arrived to fight for first-team places, and Jon Dahl 'Emmasson, Temur Ketsbaia, Shay Given, Stuart Pearce and Alessandro Pistone may all have opening-day roles against Sheffield Wednesday at St James' Park on Saturday.

Dalglish, though, is likely to find defensive room to accommodate the old hand who wore the Wallsend No 9 shirt after Shearer. "I am just looking for-



Steve Watson gathers his thoughts as Newcastle are knocked out of last season's UEFA Cup. Photograph: Emrys

ward to the season," Watson said, never having settled in a position long enough to take one for granted. "Obviously Alan's injury has cast a bit of a shadow, but it's not all doom and gloom. Not at all. We've got our two Champions' League

qualifying games for a start. That's got to make it as exciting a season as we've had since I've been here."

More exciting, certainly, than heading towards Hartlepool with Fereday and the rest of those low-flying Magpies.

New goal for Davenport on 99 not out

Peter Davenport belongs to a generation of strikers which tends not to indulge in elaborately choreographed goal celebrations. Yet if Macclesfield Town's newly appointed player-coach scores against Torquay United on Saturday, he may be tempted to raise an imaginary cricket bat.

Finding the net on Macclesfield's Football League debut would not only be satisfying in itself. It would also bring up a century of League goals that the former England player did not expect to complete.

Four years have elapsed since Davenport advanced to 98 with Sunderland; a further 28 months since a single took him on to 99 during a loan stint with Stockport. Even Geoffrey Boycott never edged towards three figures so cautiously.

"It's been as if the captain declared the innings with me on 99 not out," Davenport chuck-

Phil Shaw meets the one-cap wonder who, at 36, is now player-coach at the League's latest recruits, Macclesfield, where he has a score to settle

led. "When I got that last goal there was a lot of publicity about my being on the brink of a hundred. Stockport had three games left and Dave Jones [the manager, now with Southampton] told me: 'Don't worry, you'll get your chance to do it'. He never played me again."

Macclesfield's promotion from the Vauxhall Conference has given Davenport more than an opportunity to reach a personal milestone. The purist style of Sammy Mellroy's side has restored his appetite for the fray. He sounds 36 going on 18, his enthusiasm as great as at any time since his heyday with Nottingham Forest and Manchester United.

Davenport's promise was immense. Blessed with deft control and a talent for turning defenders - as viewers of *Match of the Eighties* saw last week - he was initially rated on a par with Gary Lineker. And when Mark Hughes left Old Trafford for Barcelona, he was the replacement.

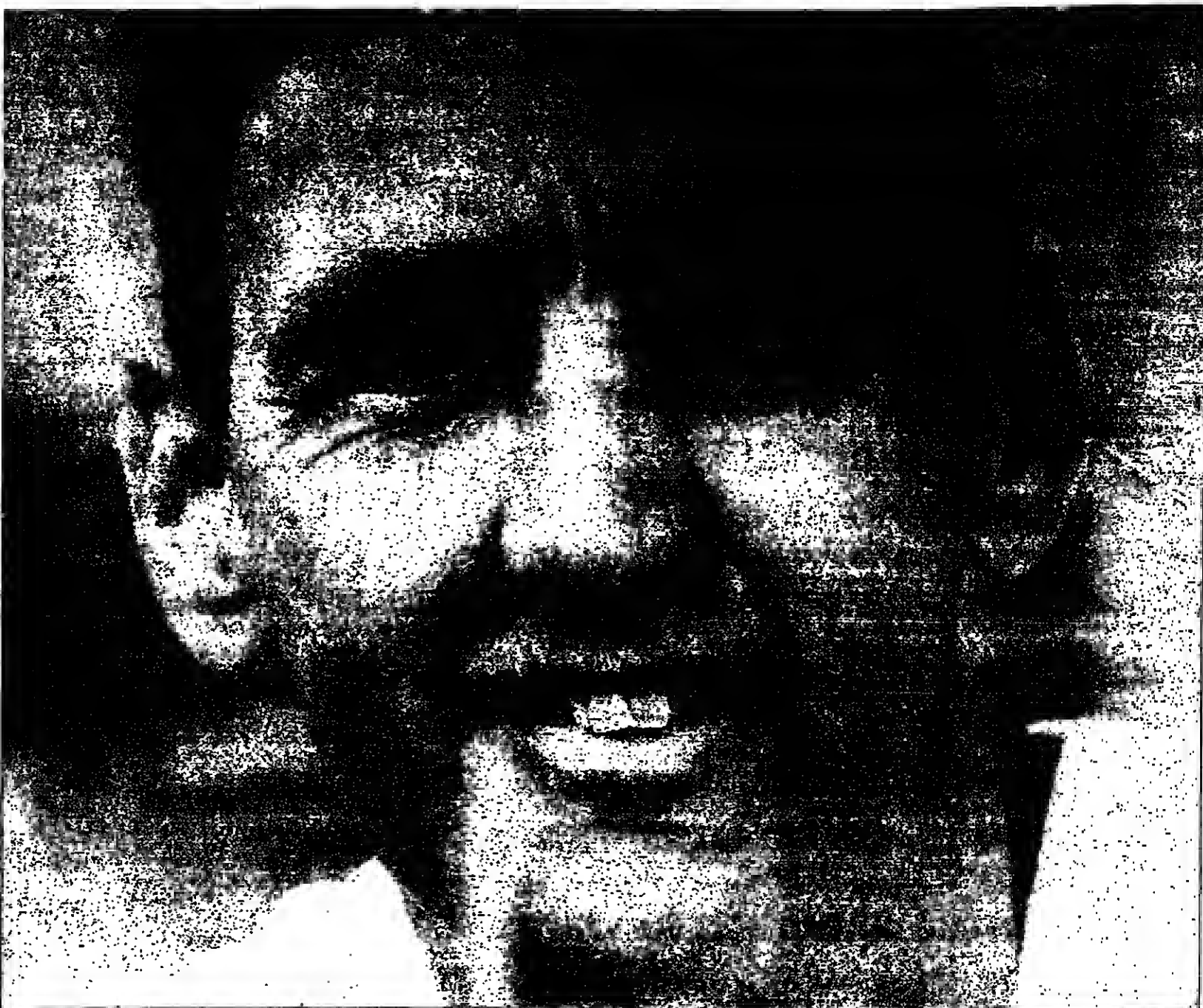
He was still with Forest when Bobby Robson picked him for the squad to play the Republic of Ireland at Wembley in 1985. "It was two days after my birthday," Davenport recalled. "Not long after I got on as substitute. Mick McCarthy tried to clear the ball and it broke to me in the inside-right channel."

"I squared it for Lineker to chip it over Jackie Bonner. That was his first goal for England. The rest is history. Go on Gary, make yourself a million while I just go and play for Airdrie and Southport!"

While the tone is self-mocking rather than self-pitying, misfortune would play a part in Davenport's status as a one-cap wonder. A week later a hamstring injury forced him out of the impending World Cup qualifier in Romania. He never did wear the pin-striped summer tour suit for which the FA had him measured.

Fate seemed to have switched sides when, the following year, Ron Atkinson paid £575,000 to take him to United, where Mellroy had been among his adolescent heroes. Within six months, however, Alex Ferguson took over and re-signed Hughes.

Davenport went on to play for Middlesbrough and Sunderland before circumstances led him to Scotland. "I decided to find a club where they didn't have so many overnight stops. My boy had just been



...this is now: Davenport, in the Third Division with Macclesfield, has a personal milestone to pass

Photograph: Peter Jay

born, yet every other Friday, at 5pm, I'd be sat in the Sunderland coach in a traffic jam on the A1 at Wetherby."

Spells with Airdrieonians and St Johnstone allowed him to see more of his family - "we hardly ever played anyone more than an hour away from our home in Edinburgh" - but Davenport felt he had unfinished business south of the border.

After a permanent move to Stockport fell through, he joined Southport. He was the Conference club's assistant manager, only to be overlooked when the senior post became vacant. Having told the chairman he did not want to go back to being just a player, he was released.

"I was thinking of packing it in because I wasn't enjoying my football. Then Sammy came in for me and I realised I'd landed on my feet. I thought: 'This is fantastic - I want to go on playing as long as I can'."

Macclesfield took the championship playing the type of football Davenport was schooled in. "I've been fortunate to have played for some good managers. I rate Brian Clough as the best - his management was second to none. The way he used psychology was incredible."

"More importantly, he always played the right way. He'd place a ball in the middle of the room and say: 'That's precious, look after it, don't give it away'. 'Sammy's not as outspoken

as I am - but his values are the same. It's pass and move, starting from a solid back four, like it was at Forest. When we get possession we

'We've got players who will surprise people with their quality'

flood the box and create loads of chances. Touch wood."

The qualification is added as much because "the Silkmen" are stepping into the unknown

as out of a reluctance to tempt fate. "Nobody knows how we'll cope with the physical demands, though we've got players who'll surprise people with their quality."

For instance? "Neil Sorvel in midfield. Crewe let him go but he's a superb passer. Steve Payne and Neil Howarth are excellent centre-backs. Then there's Steve Wood, our top scorer, who could become the oldest man to make his League debut - at 34."

Wood has given up his job as a JCB driver to go full-time. Mellroy's small squad, recruited on a shoestring, also includes a recently retired postman, life-guard and gardener. Davenport, who will continue studying for a sports science degree at

Manchester University, was delighted to commit himself to a first-ever campaign at Third Division level.

That has meant the kind of pre-season regime he thought was behind him, and which is now his responsibility. "Training's been very enjoyable, honestly," he said. "The spirit at Macclesfield is fantastic. Three years ago they won the title and weren't allowed into the League. It's mostly the same lads, so there's a real feeling of 'let's make it count this time'."

Talking of counting, Davenport is confident of troubling the scorers in the coming weeks. He will not, it is safe to assume, be unduly concerned if the elusive goal is not quite *Match of the Nineties* material.



That was then... Peter Davenport makes his only appearance for England, in 1985. Photograph: Colorsport

Most clubs are having to look at innovative strategies to lure fans brainwashed into believing life is only good at the top

Ask a salesman for his vision of Utopia and he is sure to reply along these lines: give me a product that no one else can offer, that everybody wants, at a price affordable to all.

In post-war Britain in the late Forties and Fifties, professional football was such a product. It monopolised Saturday afternoon entertainment. Capacity crowds packed sardine-like on vast open terraces week after week after week. Perceived to be good value for money, the masses did not appear unduly worried by the poor facilities and the cramped confines of their temporary living quarters. After all, hadn't watching football always been like this?

In far more comfortable surroundings - the padded-seat luxury of the directors' box - the privileged few counted their coins. Football admission could hardly have been deemed expensive, (the mass audience were, after all, the workers) but, in an era when the players earned peanuts in relation

to the receipts amassed, it must have been halcyon days for your average, extremely rich football director.

For men of vision, this surely had to be the opportune time to reinvest the excess. Antiquated stadiums, so desperately in need of modernisation on the grounds of both improved comfort and safety, were largely left to crumble. Implementing a pricing policy that rewarded the loyalty of the fans by pegging prices was overlooked in favour of a relentless series of unnecessary and downright greedy admission hikes.

Blinded by pound signs, the money men failed to see the arrival of the opposition. Living standards were rising, so too were people's expectations. Shops were, by now, stacked with attractive goods. People buying a car for the first time could, come the weekend, spread their wings and explore the countryside.

Television, now within the budget of the working classes, accounted for a high percentage of stayaway fans

who preferred, instead, the comfort of their own homes and the coyness of an afternoon devoted to a whole variety of televised sports.

Slowly, almost imperceptibly at first, the crowds started to drift away. A trickle became a flood as football lost its mass appeal. Winging their hands, the directors attempted to make good the shortfall with even greater price increases.

Crowds continued their downward plunge through the holidg-ravaged Sixties, Seventies and early Eighties, with the game's lowest ebb being reached in the quite appalling wake of the triple tragedies of Bradford, Brussels and Hillsborough. Hand-wringing time again as the authorities looked to the heavens for some divine intervention.

Winging in to answer their prayers was Sky supreme Rupert Murdoch. By toe-poking a multi-million pot of gold towards the desperate and the needy, Murdoch has in all probability contributed

Garry Nelson asks if the unstoppable rise of television is pricing the smaller clubs out of existence

more than any other individual to the long-term viability of the English game.

Backed not only by his huge investment but also by the strongest promotional campaign the sport has ever seen, the professional game is once more in public demand. Increased demand invariably leads to a shortage of supply, which in turn leads to increased prices.

The top clubs have not been slow in taking advantage. Ticket prices have risen sharply. For a family man taking his two children on a footballing day out, it is now necessary to shell out around £70 and that is without the compulsory trip to a fast-food outlet.

Not of great concern perhaps to those riding high on the back of football's current fashionability. But just a couple of rungs below, clubs are increasingly having to look at innovative pricing strategies in an attempt to lure fans brainwashed into believing that life is only good at the top.

Norwich City were able to attract crowds of several thousand to unattractive reserve fixtures by offering free admission to families and friends. Not much chance of adding to the bank balance there, but the hope is that a high percentage of potential paying customers will return over and over again in the not too distant future.

Swindon Town have, once again, implemented a price increase this season. Should they, however, fail to make the play-offs, season-ticket holders will be refunded the cost of the increase.

These two clubs do have the added saleability asset of proxim-

ity to the big time. When you are down amongst the dead men, being innovative with your pricing policy is tantamount to committing financial suicide. Just ask the former Torquay chairman, Mike Bateson. He came to the painful, inevitable conclusion that regardless of price promotions - two tickets for one, kids for a quid, child season tickets for a tenner - the base for increasing support sufficiently to make ends meet just was not there. He then had the unenviable task of asking perhaps the most loyal couple of thousand fans in the country to cough up an extra £2 a match for the privilege of watching what was, at that particular time, the worst team in the country.

Eight pounds a throw, that's three home games for a month's Sky subscription. Come midweek when the lows come scudding in from the West bringing high winds and torrential rain, the choice between lowly Torquay and the other United really seems too close to call.

Murdoch's £60,000 a year donation doesn't nearly begin to offset the loss.

For Torquay read the vast majority of Nationwide League clubs. As demand grows for the best seats in the Premiership house, the little leaguers are left to ponder how best they can survive.

A drastic price reduction may be the answer, but such has been the effectiveness of Murdoch's marketing strategy, there is still no guarantee that this will be enough to tempt those hooked on his sporting satellite show to watch live football again.

As the recently unemployed salesman said: "You're only as good as the product you sell." Especially when it's vastly over-priced. Heed the warning, Premiership clubs: Or have we already reached the stage where the fans are no longer as important as the television income, ensuring that our game - the people's game - will endure.

99 and not out

Peter Davenport, Macclesfield's target man, talks to Phil Shaw, page 22

sport

Newcastle's old boy

Steve Howey talks to Simon Turnbull, page 22

WORLD ATHLETICS CHAMPIONSHIP: Heptathlete's best not enough to beat German as there is disappointment for Hansen

Lewis has to settle for a silver medal

MIKE ROWBOTTOM
reports from Athens

Denise Lewis last night won the first medal of the World Championships for Great Britain as she took silver in the heptathlon behind the favourite, Sabina Braun of Germany.

Lewis, who finished with a total of 6,654 points, put in a performance that had scarcely any weak links, doing justice to a talent which brought her the Olympic bronze medal in Atlanta last summer.

In the absence of the injured defending champion, Ghada Shoua, it appeared that Lewis, who broke her Commonwealth record earlier this year, had a chance of gold. Unfortunately for her, the 32-year-old from Essex produced the performance of her life to win with 6,739 points.

Ashia Hansen, who reached yesterday's triple-jump championship amid rising British hopes of a first championship medal, was unable to rise to the occasion. Hansen, who headed the qualifying with a leap of 14.77 metres, had had preparations for Athens disrupted by a back injury which affected her ability to sprint.

Her performance on Saturday left her in some pain and she received immediate physiotherapy. But the competition last night appeared to reveal that the 34-year-old was still hampered. With her sixth and final attempt on the night, she stood fifth after a competition in which several of her rivals had surpassed themselves.

In a vain attempt to raise herself, she encouraged the crowd to clap. But the effort was in vain. Her distance was 14.49m - her best on the night, but not enough to lift her in the placings.

As she shook hands with her opponents, a wry smile came to her face. She had simply not been able to raise her level of



High hopes: Britain's Dalton Grant sails over the bar, on his way to the qualifying for the final of high jump in Athens yesterday

Photograph: Mike Powell/Allsport

performance like several of those around her.

Hansen had been hoping for a progression, having finished fourth at last summer's Olympic Games and then taken the silver medal at the World Indoor

Championships in March. The hop and the step were promising, but the jump proved too much. Hansen's coach, Aston Moore, had said beforehand that Hansen's confidence - something which has let her

down in more than one major championship - was now strong. "She feels like she belongs with the top jumpers now," he said. She did not look out of place yesterday but was clearly operating well below peak

efficiency. As she had feared beforehand, Romania's Rodica Matescu, whom she had referred to as "the dark horse", had come through strongly as a gold medal challenger, adding two centimetres to her

world best of the year when she managed 15.16m on her first attempt. It looked enough for the gold medal, but Sarika Kasparikova surpassed with her fifth jump, reaching out to 15.20.

There was further disappointment for Britain on the night as Steve Smith, the Olympic bronze medalist failed to qualify for the high jump final. Smith, who has been troubled by an Achilles

tendon injury for the last three weeks, was only able to manage 2.26m.

However, his colleague Dalton Grant, who joined the British squad late because of suspected food poisoning did get through, making the official qualifying height of 2.28, his season's best.

In the 400m hurdles final, Stephane Diagana of France defeated the American favourite Bryan Bronson with a time of 47.70sec.

In the women's 400m, Cathy Freeman of Australia took the gold in 49.77sec and then, just as she had done in winning the Commonwealth Games three years ago, took the flags representing both Australia and the Australian Aborigines on her lap of honour.

Steve Backley sets out today in pursuit of the global gold which he wants - which, according to him, he needs to round off his achievements in the javelin.

As usual, one of the main problems for Britain's Olympic silver medalist is the Czech Republic's gold medalist Jan Zelezny, who was the leading qualifier on Sunday night.

Zelezny's effort - 83.66m - was far from awe inspiring, but he gained a slight psychological advantage in qualifying, out-right with one throw while Backley had to wait for confirmation that his 81.40m was enough.

Mick Hill, who qualified with 82.24, will also be hoping to add a World Championship medal to the bronze he won in 1993.

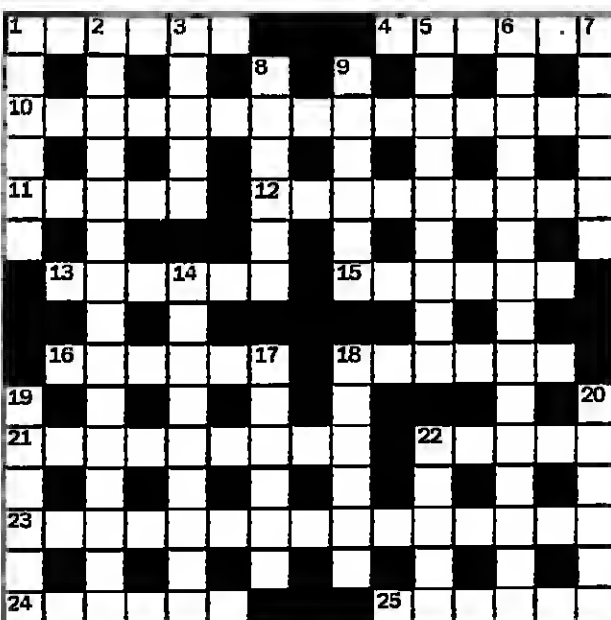
The lurking danger in the field is the home thrower, Kostas Gasioudis, who is likely to attract a large, partisan crowd - something which will please the International Amateur Athletic Federation president, Primo Nebiolo, who has expressed his disapproval of the relatively sparse numbers who witnessed Sunday night's 100m finals.

THE INDEPENDENT CROSSWORD

No. 3369 Tuesday 5 August

By Alfred

Monday's Solution



COMEDOWN EARRFUL
A O U T P L A
S O M E B O O Y O P A R T
I E G E R K I
N O N S E N S E A N I M E S T
G I D P O U O U
U C N E O E M E
P R O V E N A N C E
S V C O C K I G H
T R E P A N P A U S A D E
E N I A I L T I P S T A F F
A R V O U R E
M A I V I E M E I N G E N D I E R

- ACROSS**
- 1 Reel, being cut with lots of wine? (6)
 - 4 About to teach in place of prestige (6)
 - 10 Prisons for those of European descent? (5,5,5)
 - 11 Going through books of car firm takes time (5)
 - 12 More to pay when up on French indictment? (9)
 - 13 Ill-tempered, having to put on second diaper (6)
 - 15 Greek island's short of food (6)
 - 16 What you'll have to pay to get into work over a pretentious type (6)
 - 18 Free cleaner given to worker (6)
 - 21 Count Bari out as a place where growth is encouraged (9)

- DOWN**
- 1 Archer has to show respect at place where Douglas is found (6)
 - 2 Mutual organisation is edifying everybody? (8,7)
 - 3 Useless in English and another school subject (5)
 - 5 Free house local, could be in charge of such drink (9)
 - 22 Sign of industry on arid which is bound to err? (5)
 - 23 Not generally showing a lack of levity? (8,7)
 - 24 Disruption in spring month at border (6)
 - 25 Decree changes and decline (6)

- 6 As a rule you might have expected to find saints here? (4,5,6)
- 7 Wasting asset's given liberal sort of decoration (6)
- 8 Go by jumbo eating tree which could be tasteless (6)
- 9 Male gets sweet-smelling thing for old car (6)
- 14 Fruit's British, a super-market stock which goes down perfectly (5,4)
- 17 Get in boat which is decrepit (6)
- 18 See Irish have a try to get fierce woman (6)
- 19 Stupid amount to spend on Chinese dish (3,3)
- 20 In frenzy, merely a thing to speed up reaction (6)
- 22 Make strenuous effort for endless bliss (5)

Morceli made to work for place

Nouredidine Morceli, bidding for a fourth successive world 1500m title, was made to work hard before winning his semi-final on the third day of the World Championships yesterday.

Morceli, the world record holder and Olympic champion, could not afford to relax as the Spaniards Reyes Estevez and the former Olympic champion Fermin Cacho controlled the race from the front until the last few metres when Morceli took the lead.

The Algerian, who was never out of the leading pack, won in 3min 38.82sec ahead of Cacho and Estevez, who both clocked 3:38.86.

Morceli's main rival for the title, Morocco's Hicham El Guerrouj, came through his

semi-final a few minutes earlier, but had a comparatively less severe test, winning in 3:38.92 to set up a fascinating duel in tomorrow's final.

El Guerrouj, who has run four of the five fastest times of the year, will be especially keen to win the world crown for the first time after his Olympic hopes ended in last year's final in Atlanta when he fell.

Kenya's Laban Rotich, the second fastest man in the world this year, also looked in good form and qualified comfortably in 3:38.92.

Sonia O'Sullivan aims to complete the first leg of a World Championship double knowing that fortune finally looks to be turning in her favour.

A year ago, O'Sullivan was struck down by a debilitating bug which left her a pale shadow of the runner who had dominated the world all season.

Instead of leaving Atlanta with the anticipated golden haul, she departed the United States in tears, forced to drop out of the 5,000m final and not even getting through the first round of the 1500m.

Those problems seemed to continue into this year as she left Sheffield's Don Valley Stadium in June after finishing so far behind Britain's Kelly Holmes in the 1500m that she was virtually being written off.

But, six weeks later, the 27-year-old from Cogh, whose main aim when she flew out to Athens was defending her Gothenburg

5,000m crown, is now favourite for today's 1500m final.

First, Holmes, the world No 1, crashed out with an Achilles problem, then defending champion Hassiba Boulmerka of Algeria failed to show for her heat and on Sunday the Olympic gold medalist Svetlana Masterkova also succumbed to her injury problems.

O'Sullivan had singled out Holmes and Masterkova as her two main rivals, and after doing the minimum possible so far, she now has a confident aura.

"I think I've proved my fitness now and I've not got down to my last training session yet," said O'Sullivan, who ran her fastest race of the season in the semi-final, despite lying 10th with 400m to go.

Her main threats are likely to be American Regina Jacobs and Russia's Olga Nelyubova. But the acceleration O'Sullivan showed in moving through almost the entire field in the space of 150m before settling for a gentle finish will have been noted by her rivals and if the race is run slowly, that speed could be crucial.

"Hopefully things will work out. I've had a day off today and we'll see how it goes from here," O'Sullivan said. "The good thing so far is that I haven't really been nervous at all and if I can stay relaxed, it will help."

"All I want to do is run my best possible race and take it from there. I've worked hard all year and now I'm here I'm going to make the most of it."

Britain's 400m trio set up historic final

Britain will have three 400 metres runners in a global final for the first time in history tonight; but the No 1 of the trio, Iwan Thomas, appears to be increasingly hampered by a knee problem.

Thomas, Mark Richardson and Jamie Baulch formed a block booking after coming safely through their semi-finals. However, Thomas, who was being thought of as a potential champion here before Michael Johnson's arrival on a wild card,

walked heavily away after finishing fourth, and spent much time frowning and stretching before leaving without comment.

Britain's record holder has been complaining for several days of a nagging injury behind his right knee. Having said that, he ran 44.61sec, which made him the fastest Briton. His race was won by Johnson, who quelled some of the doubts that his previous day's absent-minded performance had raised by running 44.37 with apparent ease.

Richardson was second behind another American, Tyree Washington, in 44.62, with Baulch third in 44.69. Like Thomas, Richardson is troubled by a knee injury, but it is clearly not affecting his level of performance.

"I've got to be pleased with a season's best slowing down," Richardson said. "It's a job well done. I wanted to get into the top two so I can get a middle lane in the final. It's super stuff to have all three of us there."

He paid tribute to his trainer,

Mark Zambada, who has been working on his leg. "I wouldn't be running here if it wasn't for him," Richardson said. "He's an amazing guy. I'm not letting the injury affect me. If it's going to go, it's going to go."

Baulch, who as far as anyone knows is not suffering from either illness or injury, spoke to his coach, Linford Christie, afterwards. "I didn't really go for it in the first 200 metres," he said. "I was just telling myself 'You are The Man.'"

Today will tell. But the man whom most expect to be The Man, Johnson, provided a more reassuring show after finishing

only as third of the four fastest losers in the second round. "I felt good," Johnson said. "I don't know what shape I'm going to be in tomorrow. I didn't have any problems yesterday. I just made a mistake and I was very upset with myself."

He neither looks nor acts like the man who won two golds at the Atlanta Olympics last summer. The injury he suffered in his One-to-One challenge with Donovan Bailey at the end of May still appears to be having a knock-on effect. There is a chunk of light for the Brits, then. But Johnson does not look as if he will need his best to retain his title.

Look out for David Nash.
We did.

A Middlesex batsman and wicket-keeper, David Nash has progressed through the NatWest Development of Excellence to represent the NatWest England Under 19 side against Pakistan and New Zealand. In achieving a high score of 98 not out, 26 catches and 2 stumpings, he's obviously a good man to have behind you. Unless, of course, you're batting.

NatWest
More than just a bank

NatWest Bank Plc. Registered Office: 40 Leadenhall Street, London EC3A 3LF. Registered in England No 02002.